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ESSAYS ON SUSTAINABLE SUPPLY MANAGEMENT

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PROEFSCHRIFT

ter verkrijging van de graad van doctor aan Tilburg University, op gezag van de rector magnificus, prof. dr. Ph. Eijlander, in het openbaar te verdedigen ten overstaan van een door het college voor promoties aangewezen commissie in de aula van de Universiteit op vrijdag 21 maart 2014 om 10.15 uur door Mieneke Koster.

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CHAPTER 1: GENERAL INTRODUCTION

The growing concern for organizations' social responsibility and sustainable behavior has been accompanied by considerable awareness of how organizations manage their supply chains. The societal relevance of care for our natural environment and the social conditions within and beyond an organization's operations, throughout the supply chain, affect its legitimacy and (financial) well-being (Amaeshi, Osuji, & Nnodim, 2008; Hoejmose & Adrien-Kirby, 2012; Zhu & Sarkis, 2004).

A wide range of societal and business initiatives has appeared in response to these challenges. Examples of such initiatives include codes of conduct, standards and multi-stakeholder initiatives in round-table settings which address complex sourcing issues (Waddock, 2008). Also illustrative of this notion of responsibility throughout the supply chain have been the immediate responses by brand-owning companies to major tragedies such as those in the factories in Savar (Bangladesh, in 2013) and Karachi (Pakistan, in 2012). Brand-owning companies and industry associations instantaneously and publicly communicated their (un)connectedness to those garment suppliers as well as the measures they were taking to prevent any further tragedies[1].

The relevance of the inbound supply chain from a sustainability perspective mainly arises from the fact that for many organizations a substantive part of their turnover is supplied by third parties, over 80% in some industries (Monczka, Handfield, Giunipero, & Patterson, 2011; Van Weele, 2010). Thus, a large proportion of their sustainability impact comes from the inbound supply chain. Sustainable Supply Management (SSM) addresses this specific area of sustainability impact in the supply chain.

[1] Http://www.c-and-a.com/uk/en/corporate/fileadmin/mediathek/uk-uk/Pressreleases/C_A_statement_on_the_building_collapse_in_Savar__Bangladesch.pdf (retrieved on May 15th 2013); http://www.bbc.co.uk/news/world-asia-22525431 (retrieved on May 15th 2013); http://www.csrtextile.com/index.php?option=com_content&view=article&id=10712%3Akik-agrees-to-factory-fire-compensation&catid=9%3Atextile-and-garment-production&Itemid=2 (retrieved on May 15th 2013); https://www.wewear.org/assets/1/7/introduction_to_fire_safety_MOU.PDF (retrieved on May 18th 2013)

SUSTAINABLE SUPPLY MANAGEMENT

In the spectrum of sustainable supply chain management (SSCM) research, SSM refers to the upstream side of SSCM (Walker, Miemczyk, Johnsen, & Spencer, 2012), which is a complex area since it combines several fields of expertise and involves many stakeholders and inter-organizational relationships (Gold, Seuring, & Beske, 2010). It operates at the intersection of sustainability and supply management (cf. Paulraj, 2011), and aims to integrate the triple bottom line of environmental, social and economic elements in supply management processes (Elkington, 1998).

In the past few decades, a substantive and diverse body of academic research on SSCM and SSM has emerged, while various literature reviews have aimed to structure these studies (Carter & Easton, 2011; Gold, et al., 2010; Golicic & Smith, 2013; Hassini, Surti, & Searcy, 2012; Hoejmose & Adrien-Kirby, 2012; Miemczyk, Johnsen, & Macquet, 2012; Sarkis, Zhu, & Lai, 2011; Seuring & Müller, 2008; Srivastava, 2007). Some general observations on the outcomes of these studies and reviews can be made. We outline four major observations.

Firstly, there is a plethora of definitions and acronyms related to the spectrum of SSCM and SSM. For instance, Miemczyk, et al. (2012) have found a total of 50 definitions in studies on sustainable purchasing and supply management, varying from green supply chain management and socially responsible buying to ethical trade. The broad array of definitions, labels and acronyms in the area of SSCM seems to be characteristic of the dynamic field of social responsibility, as has also been recognized with regard to CSR and sustainability in general (Banerjee, 2008; Van Marrewijk, 2003). A selection of terms and their associated definitions, as provided by leading researchers in this emerging domain, is shown in Table 1.1. In this dissertation, the term Sustainable Supply Management (SSM) is used for two reasons. On the one hand, the adjective *sustainable* covers both social and environmental issues and is therefore broader in scope than terms such as ‘green’ or ‘environmental’. On the other hand, the term *supply management* fits nicely with the emphasis in this dissertation on organizations’ inbound flows of goods and services. The frequently used term SSCM has a broader scope, encompassing the entire supply chain or network, including outbound flows. This is, for example, reflected in the definition of

Green Supply Chain Management (Srivastava, 2007) in which sourcing forms only part of the term's scope. Throughout this dissertation, the term 'sustainable supply management' (SSM) is used, also when articles which use a slightly different term are referred to. SSM is defined as the management of material, information and capital flows, as well as cooperation among companies along the inbound supply chain, while taking economic, environmental and social dimensions into account (cf. Seuring & Müller, 2008).

Secondly, it has been acknowledged that the introduction of organizational theory into supply chain management literature is at an early stage (Ketchen & Hult, 2007). Similarly, in SSM research significant opportunities exist for the further introduction of organizational theory (Carter & Easton, 2011; Hoejmose & Adrien-Kirby, 2012; Sarkis, et al., 2011). A positive trend has, however, been noted in the use of theoretical lenses in SSM research, such as transaction cost economics, the resource based view, social network theory, and stakeholder theory (Carter & Easton, 2011; Sarkis, et al., 2011).

Thirdly, previous research has focused primarily on the environmental dimensions of SSM (Hoejmose & Adrien-Kirby, 2012; Linton, Klassen, & Jayaraman, 2007; Miemczyk, et al., 2012; Seuring & Müller, 2008). These findings appear to point to a lack of attention, within the supply chain management literature, for the social side of sustainable development. In their bibliometric analysis, Hoejmose and Adrien-Kirby (2012) have, however, observed an upward trend in the number of papers on social and mixed (environmental and social) issues.

Finally, the question of whether it pays to be sustainable has attracted a lot of research attention. Golicic and Smith (2013) have conducted a meta-analysis of these studies, which does support the business case for SSM resulting in increased business performance. However, due to the increasing need for organizations to deal with environmental and social issues anyway (Hart, 1995; Hart & Dowell, 2010), the focus of research on social responsibility in general and more specifically on sustainable supply chains, has moved away from the business case and the question of whether the benefits outweigh the costs (Kleindorfer, Singhal, & van Wassenhove, 2005; Lee, 2008; Orlitzky, Schmidt, & Rynes, 2003; Pagell & Wu, 2009) to a wider perspective. It is no longer a question of *whether* to work on sustainable supply chains. Rather the

challenge is *how* to organize and advance them in an effective manner (Kleindorfer, et al., 2005; Pagell & Wu, 2009) and how to address trade-offs between economic and non-economic performance (Pagell & Shevchenko, 2014).

TABLE 1.1

Overview of selected terms and definitions

Authors (year)	Term	Definition
Walker, Miemczyk, Johnsen & Spencer (2012)	Sustainable Procurement	The pursuit of sustainable development objectives through the purchasing and supply process
Pagell, Wu & Wasserman (2010)	Sustainable Sourcing	Managing all aspects of the upstream component of the supply chain to maximize triple bottom line (people, planet, profit) performance
Carter & Carter (1998)	Environmental purchasing	The purchasing function's involvement in activities that include reduction, recycling, reuse, and substitution of materials
Maignan, Hillebrand & McAllister (2002)	Socially responsible buying	The inclusion in purchasing decisions of the social issues advocated by organizational stakeholders
Seuring & Muller (2008)	Sustainable Supply Chain Management	The management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e. economic, environmental and social, into account which are derived from customer and stakeholder requirements
Pagell & Shevchenko (2014)	Sustainable Supply Chain Management	The designing, organizing, coordinating and controlling of supply chains to become truly sustainable with the minimum expectation of a truly sustainable supply chain being to maintain economic viability, while doing no harm to social or environmental systems
Srivastava (2007)	Green Supply Chain Management	Integrating environmental thinking into supply-chain management, including product design, material sourcing and selection, manufacturing processes, delivery of the final product to the consumers as well as end-of-life management of the product after its useful life
Paulraj (2011)	Sustainable Supply Management	SSM is defined to encompass (1) supplier selection, (2) environmental collaboration and (3) supplier evaluation.

In conclusion, SSM is still a relatively young and developing area of research and practice, which is faced with various research and managerial challenges. In the context of the challenge of how to organize and advance SSM, this dissertation studies SSM in three independent projects, all in different types of organization. Before discussing these projects in detail, attention is paid to the overarching research question addressed in this dissertation.

OVERARCHING RESEARCH QUESTION

Advances in SSM have come about largely through self-regulation. Self-regulation refers to the commitment of (an) organization(s) to control its own conduct beyond what is required by law (cf. Christmann & Taylor, 2006). Self-regulation in the area of SSM has been established via a plethora of initiatives and standards, all at different stages of development, throughout different levels of self-regulation, namely firm, industry, and business-wide self-regulation (cf. Maitland, 1985; Waddock, 2008). This varies from corporate programs and codes of conduct to the employment of international management standards (Christmann & Taylor, 2006; Kolk & van Tulder, 2002).

The most extensive self-regulatory approach emerges when organizations, within their corporate social responsibility approach 'set out to reorient the ways they create value' in response to environmental or social demands (cf. D'Amato & Roome, 2009). This represents a proactive stance (Henriques & Sadorsky, 1999), and a process of change that aims to meet societal and sustainability demands, as opposed to a reactive stance, in which an attitude of duty compliance prevails (Henriques & Sadorsky, 1999; Van Tulder, van Wijk, & Kolk, 2009).

The merits and effectiveness of self-regulation are the subject of debate (Christmann & Taylor, 2006; Kolk & van Tulder, 2002; Lynch-Wood, Williamson, & Jenkins, 2009), since a potential downside of self-regulation is that too much freedom can tempt firms to opportunistically choose to change as little as possible (Simpson, Power, & Klassen, 2012).

Nevertheless, self-regulation is still considered the basis for SSM development (Golicic & Smith, 2013). However, the mechanisms underlying SSM -including the antecedents for organizations to engage in SSM (Walker, et al., 2012)- and its outcomes have remained relatively obscure so far (cf. Aguinis & Glavas, 2012; Hoejmose & Adrien-Kirby, 2012). Aguinis and Glavas (2012) have called for research that would clarify the processes and underlying (mediation) mechanisms whereby organizational actions and policies in the area of corporate social responsibility lead to particular outcomes. This dissertation aims to provide deeper insights into the mechanisms that operate between SSM self-regulation and the incorporation of sustainability in supply management processes. Hence, elements are studied which affect the results of self-regulation from a sustainability perspective, thereby meeting calls for research on how actions can lead to sustainability results, rather than staying within the scope of the prevalent performance perspective which focuses on financial returns (Golicic & Smith, 2013; Halme, Roome, & Dobers, 2009).

The three research projects address the process of advancement and the motives for self-regulation of SSM in different settings. Each project explores the connection between self-regulation by organizations and the incorporation of sustainability elements in their supply management processes from a different point of view. Although each project has its own research question and orientation, the combined projects are connected through the following overarching research question:

How does self-regulation advance the incorporation of sustainability elements in an organization's supply management processes?

PROJECT SEQUENCE AND DISSERTATION STRUCTURE

The overarching research question is addressed in three independent projects which are presented in Chapters 2 to 4. Besides their individual theoretical and managerial contributions, these projects also aim to enrich our understanding of SSM in a collective way. Relevant research features of all three projects have been summarized in Table 1.2.

TABLE 1.2

Overview of three research projects

Title	**Management innovation driving SSM in exemplar MNEs (Ch 2)**	**The advocate's own challenges to behave in a sustainable way: An institutional analysis of three major NGOs (Ch 3)**	**Antecedents for social self-regulation; Why organizations seek SA8000 certification (Ch 4)**
Research questions	What are the sequences through which SSM emerges within exemplar organizations? What is the influence of the management innovation process on resulting SSM practices?	What drives or slows down sustainable conduct of NGOs which are sustainability advocates?	What are antecedents for organizations to adopt SA8000? How do those antecedents affect the standard's adoption?
Unit of analysis	Management innovation processes at the level of both actors and firm communities	Drivers to sustainable conduct at the organization level	Antecedents at the organization (firm) level
Theoretical basis	Literature on management innovation, communities of practice and dynamic capabilities	Institutional theory	Integrative approach based on institutional theory and a performance lens
Research design	Process studies in two exemplar case organizations	Three embedded case studies (ten cases)	Mixed methods: Interview-based research and regression analysis applied to adoption data

Prior to discussing the three research projects in more detail, a general comment on the units of analysis (UoA) is warranted. In line with the most commonly observed UoA of research in the SSM domain, 'the organization' dominates in this research. However, in the project focusing on management innovation processes driving SSM

(see Chapter 2) explicit attention is also paid to the role and impact of specific actors and communities in the (exemplar) case companies. This is in line with recent pleas for more SSM research using the individual (manager) as the unit of analysis (Carter & Easton, 2011; Wu & Pagell, 2011). Because of, amongst other things, these multiple UoAs, the overall conclusions drawn from the combined projects (Chapter 5) are based on underlying principles and are formulated at a higher level of abstraction.

Chapter 2 focuses on the processes of emergence and innovation of SSM practices within organizational boundaries. Drawing on management innovation literature, the introduction and innovation processes of SSM self-regulation in two exemplar companies, and its potential impact on resulting SSM practices, are studied. Insights into the processes of innovation are obtained through (i) the identification of cycles of SSM innovation in our case companies, reinforced by management intervention and public announcements of sustainability targets and (ii) the acknowledgement of preconditions for the development and upscaling of proactive, company-wide SSM practices, namely investment in a dedicated infrastructure for knowledge and practice dispersion, and next, tacit knowledge (knowhow) regarding internal and external collaboration. We find that in our cases, dynamic capabilities, which are the basis for the ability to realize management innovation, bring about two-layered results. Alongside planned functional capabilities (SSM and inherent product and process innovation), generic collaborative capabilities are developed, which could have been expected to be in place already, considering the important role they play in many other organizational processes. This disentangles the complex relation between dynamic capabilities and resultant functional and generic capabilities, which are the basis for improved firm performance. These findings are combined into propositions, and into a conceptual model, proposing how the process of management innovation itself affects SSM practices.

Chapter 3 zooms in on one of the widely recognized drivers for business self-regulation with regard to SSM, namely Non-Governmental Organizations (NGOs). As a preliminary stage of the research on NGOs' behavior in this chapter, analyses of NGOs' sustainability reporting were conducted (Simaens & Koster, 2013). The research focus in this third chapter is on NGOs' drivers to have sustainable internal operations themselves, rather than on their advocacy role, which focuses on the

behavior of others. In a multiple case analysis of ten offices belonging to three widely recognized international advocacy NGOs, we find distinct institutional influences on the intention to behave in a sustainable way. Our findings are advanced in propositions regarding intrinsic drivers, the walk-the-talk-effects of NGOs' missions and the trade-offs with which NGOs are faced when balancing their investment in their advocacy missions with their investment in sustainable operations. We discuss these findings in the light of institutional complexity (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011) and identify and contrast the NGOs' role model function with their advocacy role. This research informs us in a broader sense about the way advocates and consultants may self-regulate in their own advocacy area or area of expertise.

Chapter 4 addresses self-regulation that is based on a certifiable management standard, namely SA8000. SSM does not seem to evolve equally across the environmental and social dimensions of sustainability, although both aspects are part of the sustainability triple bottom line (Elkington, 1998). We investigate SSM self-regulation on working conditions by analyzing SA8000 adoption. SA8000 is the most widely applied and well-known certifiable social management standard globally (Behnam & MacLean, 2011; Crals & Vereeck, 2005; Gilbert & Rasche, 2007). The aim of this research is to explain what are the prospects and antecedents for the adoption of SA8000, which has had remarkably low adoption rates, compared with other leading management standards. By conducting interview-based research among different stakeholder groups, insights are developed into the antecedents for organizations to adopt SA8000. In addition, its limited growth potential is confirmed by regression analysis. We find that there is a small foundation for SA8000, with a central role for business and governmental customers. Motivation for adopting the standard is based primarily on customer requests, which often lack a supportive stance, and on the fear of losing business. This enhances symbolic implementations of the standard.

Finally, in Chapter 5, conclusions and insights from the three different projects are combined, including their managerial implications, their limitations and suggestions for future research.

SSM AS A CONNECTING THEME

The projects in this dissertation have SSM as a connecting theme. In varying settings and in different ways, self-regulation in the area of SSM is explored and each chapter is related to SSM in a different way.

Chapter 2 researches SSM as a management innovation. It focuses on the innovation of organizational processes in the area of SSM and on its sustainability effects. These internal supply management processes are the gateway to both first-tier and multiple-tier suppliers in the chain, in line with the focus of this research on the inbound flows of goods and services.

Chapter 3, in which NGOs are studied, is related to SSM in two ways. Firstly, NGOs are important stakeholders, influencing SSM and operations of other organizations (Perez-Aleman & Sandilands, 2008). Secondly, the internal operations of the NGOs involved in our study, are nearly all SSM-related, since alongside its procurement and supply management focus, SSM's aim is to prevent resources from being wasted by means of internal demand management[2]. Consequently, a major part of the NGOs' sustainable operations internally are related to supplies and are therefore of relevance to SSM.

Finally, Chapter 4 focuses on SA8000, the most widely applied certifiable social management standard in the realm of working conditions globally. This standard serves as a governance mechanism for managing sustainability in the supply chain. Its connection with SSM lies firstly in the drivers for adoption of SA8000 which often come from supply management relations. In addition, SA8000 itself requires certified companies to implement SSM practices since good working conditions at supplier sites are requested.

[2] Demand management focuses on specification, ordering and use of appropriate goods and services in the right quantities, and in line with organizational needs. It aims to prevent both waste and shortages of supplies.

CHAPTER 2: MANAGEMENT INNOVATION DRIVING SUSTAINABLE SUPPLY MANAGEMENT IN EXEMPLAR MNEs[1]

ABSTRACT

Although research in the area of sustainable supply management (SSM) has evolved over the past few decades, knowledge about the processes of emergence and innovation of SSM practices within organizations is limited. These processes are, however, important because of the considerable impact they may have on resulting SSM practices and because of SSM's complex societal and intra-firm challenges. In a process study on management innovation, the sequences of SSM innovation processes in two exemplar case companies are studied. The following research questions are addressed: '*What are the sequences through which SSM emerges within exemplar organizations?',* and '*What is the influence of the management innovation process on resulting SSM practices?'.*

We build on literature regarding Communities and internal Networks of Practice and literature regarding dynamic capabilities. An SSM innovation model and propositions are developed based on our findings, proposing how the process of management innovation affects SSM practices.

[1] This chapter is the result of work carried out collaboratively with Bart Vos and Roger Schroeder

INTRODUCTION

The strategic significance of sustainable supply management (SSM), including related topics such as sustainable operations and sustainable logistics, is increasingly acknowledged within both academia and industry. SSM addresses sustainability in the inbound part of SCM and therefore also includes related "inbound areas" such as sustainable procurement and logistics. Research in this area of SSM and related topics[2] has evolved over the past two decades, resulting in a broad array of studies, ranging from its profitability (Golicic & Smith, 2013) and the capabilities and antecedents required (Bowen, Cousins, Lamming, & Faruk, 2001; Gattiker & Carter, 2010; Pagell & Wu, 2009; Paulraj, 2011; Reuter, Foerstl, Hartmann, & Blome, 2010) to organizations' motivation and barriers to strive for sustainable supply chains (Hofer, Cantor, & Dai, 2012; Walker, Di Sisto, & McBain, 2008).

Many authors have realized that SSM is an entirely new way of working (Pagell & Shevchenko, 2014). Pagell and Wu (2009) for example studied what is characteristic of SSM processes in exemplars. They concluded that the exemplar companies had made a radical break with traditional SCM approaches. For these radically new SSM practices, new business models are needed (Pagell & Shevchenko, 2014). This implies that progressive companies have gone through innovation of management processes in order to get sustainable SCM practices. Literature on SSM has remained relatively silent about these innovation processes. Scant attention has been paid to the *process* of emergence and development of sustainable practices in the supply chain and to the role of the various stakeholders involved.

However, for several reasons it is worthwhile to study how SSM emerges and develops as a management innovation. Firstly, SSM management innovation processes are likely to steer resulting practices and their effectiveness, which makes them interesting and important factors in themselves (cf. Birkinshaw, Hamel, & Mol, 2008; Mol & Birkinshaw, 2009). Secondly, SSM is interesting as a management innovation, since it is highly complex in several respects: it requires the expertise of

[2] It is useful to note that from the plethora of available terms, we use SSM, also in instances where the articles quoted may have used other related terms.

different functional areas, it involves numerous internal and external stakeholders relationships (Gold, et al., 2010), and it has ethical and societal dimensions. SSM with its specific complexities and sensitivities may provide additional insights into management innovation processes and meet the demand for more contemporary case research on the actual sequencing and phasing of management innovation activities over time (Birkinshaw, et al., 2008). Finally, insights into exemplar SSM innovation processes may help practitioners and policy makers (Walker, et al., 2012) to make informed decisions about innovation processes. The SSM processes are relatively new, tacit in nature and complex (Gold, et al., 2010), and so their development poses a novel challenge to adopting companies.

Through this research, we aim to gain insights into the innovation process of SSM (its emergence and its establishment within the boundaries of an organization) and into the influence of this process on resulting practices. We focus on its development sequences at the micro-organizational level of actors and firm communities. This informs us about the innovation process that was pursued and the rationale behind it. The research questions are:

What are the sequences through which SSM emerges within exemplar organizations?

What is the influence of the management innovation process on resulting SSM practices?

We study SSM innovation itself in order to gain insights into the process of its emergence and development and into the central position of both the knowledge that is accumulated during the process sequences and the key actors involved. For the purpose of our study, management innovation is a useful topic, given its focus on the introduction of novel management practices aimed at enhancing firm performance (Hamel, 2006; Mol & Birkinshaw, 2009). In line with the explorative character of this research, two exemplar multinationals were selected for process studies. The emergence and diffusion of SSM practices are analyzed within the organizational boundaries of these two case companies with a view to understanding management innovation in the complex area of SSM and to understanding what is specific to SSM innovation. This results in a set of propositions and a sequence model, which combines our preliminary insights into progressive SSM innovation processes.

In summary, our case results indicate two important, successive stages of innovation. The first is a long-lasting stage of knowledge accumulation on a relatively small scale, resulting in so-called Communities of Practice (cf. Brown & Duguid, 1991; Roberts, 2006; Tallman & Chacar, 2011). In the second stage, triggered by management intervention, the focus is widened to the dissemination of knowledge and practices throughout the organization, aiming for an internal Network of Practice (Tallman & Chacar, 2011). The new insights obtained in this way reflect the impact of initial investments in SSM (within the Communities of Practice) on subsequent company-wide SSM practices. In addition, preconditions for the transition to company-wide SSM are revealed, namely investments in a dedicated infrastructure and besides, tacit knowledge regarding both internal and external collaboration (which is critical due to SSM's complexity and its inter-company and function-crossing character). Viewed in the light of dynamic capabilities, our findings point to SSM innovation having a two-layered effect. Dynamic capabilities not only enable development of SSM and, related to that, technological product and process innovation as functional capabilities, but SSM also addresses and develops generic capabilities concerning internal and external collaboration.

THEORETICAL BACKGROUND

Sustainable Supply Management

SSM adds a dimension of sustainability to the field of supply management, and is related to topics such as sustainable procurement, logistics and operations. It can be described as the management of material, information and capital flows, as well as cooperation among companies along the inbound supply chain, while taking economic, environmental and social dimensions into account (cf. Seuring & Müller, 2008). While the emphasis in research on sustainability in the Supply Chain has been mainly on environmental aspects, and social factors have often been ignored (Carter & Easton, 2011; Pagell & Wu, 2009; Pullman, Maloni, & Carter, 2009; Sarkis, 2012; Sarkis, et al., 2011; Seuring & Müller, 2008), the definition above explicitly includes

environmental and social and economic factors, the "triple bottom line" (Elkington, 1998). SSM is vital for companies that strive to be sustainable, since for many companies over half of their turnover comes from services or products bought from suppliers. This implies that a firm's inbound supply chain offers substantial potential for influencing its triple-bottom-line impact (Handfield, Sroufe, & Walton, 2005; Paulraj, 2011).

Research on sustainability in the supply chain has developed over the past two decades, as has been acknowledged by various literature reviews (e.g. Carter & Easton, 2011; Sarkis, et al., 2011). Considerable attention has been paid in the past to the business case for sustainable business in general (Margolis & Walsh, 2003; Orlitzky, et al., 2003) and for SSCM and SSM in particular (Golicic & Smith, 2013). However, because of the widely acknowledged, compelling need for sustainability, the challenge has changed from "whether" to act in a sustainable way to "how" to act in a sustainable way (Kleindorfer, et al., 2005; Pagell & Wu, 2009). Economic gains alone are too narrow a motivation for SSM (Pagell & Shevchenko, 2014).

There has, for instance, been research on the capabilities and antecedents required for SSM (Bowen, et al., 2001; Gattiker & Carter, 2010; Pagell & Wu, 2009; Paulraj, 2011), on organizations' drivers for and barriers against working on sustainable supply chains (Hofer, et al., 2012; Walker, et al., 2008), on decision-making processes (Delmas & Toffel, 2008; Wu & Pagell, 2011) and on self-regulation via standards and procedures (Christmann & Taylor, 2006; King, Lenox, & Terlaak, 2005; Klassen & Vachon, 2003).

Sustainable Supply Management and Innovation Processes

Several studies have acknowledged that progressive SSM practices involve radical changes compared with traditional supply management practices (Pagell & Shevchenko, 2014) in terms of, for example, non-economic performance criteria and supply base management (Pagell & Wu, 2009). These studies have produced interesting findings on the characteristics of radically innovated SSM practices.

However, these radically new practices also imply that exemplar companies have gone through processes of management innovation, which have resulted in these new organizational practices and processes. These management innovation processes are of interest in their own right, since the process of SSM emergence and innovation can affect resulting SSM practices (cf. Birkinshaw, et al., 2008; Mol & Birkinshaw, 2009). In addition, SSM processes are relatively new and complex (Gold, et al., 2010) and pose a challenge of inter-firm collaboration to adopting companies. This is a challenge in which far more performance criteria have to be met than for traditional core operational issues (Gold, et al., 2010). The relevance and complexities of inter-firm collaboration, resources and routines have been widely acknowledged in the literature, since a firm's critical resources may exceed firm boundaries and are often embedded in inter-firm resources and routines (Dyer & Singh, 1998; Lavie, 2006). These complexities underline the challenges and relevance of organizational innovation processes concerning SSM.

These management innovation processes related to the emergence and implementation of SSM, have, however, received limited attention. It is worth noting that, based on literature research on socially and environmentally responsible procurement, Hoejmose and Adrien Kirby (2012) included a full section on implementation, which outlined implementation of and issues to do with *codes of conduct*, rather than anything to do with implementation of *innovative SSM*. Furthermore, Pagell and Wu (2009) indicated that so far only fragmented information regarding the process towards SSM was available. They also observed that SSM exemplars typically achieved fundamental changes in their value propositions via a sequence of connected decisions (Wu & Pagell, 2011). No coherent insights have emerged regarding the innovation processes whereby organizations internally develop and prepare SSM processes and regarding challenges in these innovation processes. In this respect, the SSM domain might benefit from the emerging knowledge base regarding management innovation.

Management Innovation

There is a large, multi-disciplinary and diverse body of academic literature on innovation (e.g. Anderson & Tushman, 1990; Cohen & Levinthal, 1990; Fagerberg, 2004; Nelson & Winter, 1982; Tushman & Anderson, 1986; Van de Ven, Polley, Garud, & Venkataraman, 1999). Innovations can focus on different dimensions and so have different outcomes such as new products or services (product innovation), but also new production processes (process innovation) (Crossan & Apaydin, 2010) and new ways of organizing work (organizational innovation) (Fagerberg, 2004).

We study the processes of organizational innovation and more specifically of management innovation (Birkinshaw, et al., 2008; Birkinshaw & Mol, 2006; Hamel, 2006; Lam, 2004) since they explicitly acknowledge the importance of SSM development as an innovation process. Management innovation is a relatively new and still under-researched form of organizational innovation (Birkinshaw & Mol, 2006; Birkinshaw et al., 2008; Damanpour, Walker, & Avellaneda, 2009; Vaccaro, Jansen, Van Den Bosch, & Volberda, 2010). Yet, it is a significant topic in the field of strategic management (Wu, 2010). In terms of management innovation, SSM can be defined as "a new set of practices and processes aimed at embedding sustainability in supply management" (cf. Birkinshaw, et al., 2008). Birkinshaw, et al. (2008) categorize four perspectives on management innovation. Firstly, the institutional perspective addresses institutional conditions which stimulate emergence and diffusion of management innovation; secondly, the fashion perspective views management innovation as a management idea that can be propagated on the market; thirdly, the cultural perspective incorporates organizational culture as an important condition for how management innovation is shaped in an organization; and, fourthly, the rational perspective has a central role for human agency.

Our perspective of management innovation in this research is related to the rational perspective, in line with our focus on *processes* of SSM innovation and the important role of decision-making by internal and external stakeholders (Gattiker & Carter, 2010; Sarkis, et al., 2011; Wu & Pagell, 2011) and in line with the notion that human agency should get attention in management innovation (Birkinshaw, et al., 2008). The rational perspective posits that management innovations are introduced by

individuals with the goal of making their organization work more effectively. The rational perspective studies the roles of internal and external actors in the sequences in which management innovation develops within an organization at an operational level (Birkinshaw, et al., 2008; Vaccaro, Jansen, Van Den Bosch, & Volberda, 2010). This perspective matches the "strategic adaptation" perspective which also acknowledges the role of human agency and focuses on the role of managerial action and strategic choice in shaping organizational change (Lam 2004). The strategic adaptation perspective does not view organizations as merely 'passive recipients of external forces', but it acknowledges the role of managerial action and organizational learning and the importance of adapting in order to cope with external 'turbulence'. In this light, Vaccaro, et al. (2010) looked at the role of leadership in management innovation at the organizational level of analysis. They found that leaders were important actors who can have a significant impact on the implementation of new processes and practices. In addition, they found that leadership behavior should be adapted to suit the size and complexity of the organization. Smaller, less complex organizations require transactional leadership whereas in larger and more complex organizations transformational leadership is more appropriate. They have stressed the relevance of human agency. In line with the rational perspective, we study the roles of the actors involved in the SSM management innovation process.

Apart from the role of human agency, management innovation involves sequences and hence it concerns time. Birkinshaw and Mol (2006) and Birkinshaw et al. (2008) have pointed to somewhat similar stages within the management innovation process. Birkinshaw et al. (2008) have developed theoretical stages of motivation, invention, implementation and labeling (which may occur iteratively), and they relate this to actions carried out by internal and external change agents. They have called for future research to study and make sense of management innovation sequences in practice. Other studies have also pointed to the sequences in time across different forms of innovation. Damanpour, Walker, and Avellaneda (2009) have studied the combination of different types of innovation for the service industry (service, technological process and management innovation) and found that the combination of different innovation types over time positively affects organizational capabilities and performance. Lam has indicated that organizational innovation may be a necessary

condition for technological innovation, rather than just a response to external forces, implying a need for research on the internal transformation needed to create such conditions. Throughout those 'management innovation sequences', it is particularly interesting to look at the accumulation of knowledge (Wu, 2010) since knowledge is a key to innovation, whatever the form it takes (Nonaka, 1994; Nonaka & Takeuchi, 1995). Organizational knowledge comprises tacit knowledge of individuals, which should be integrated into the explicit knowledge base of the firm (Lam, 2004). In other words, organizations should utilize the knowledge that its actors have gained. It is useful to study management innovation together with the accumulation and utilization of new knowledge, as it is vital to deriving maximum benefit from management innovations (Wu, 2010).

The calls to study management innovation sequences have time (sequences) as a central construct. This suits process theorization, which helps understanding patterns of evolution over time (Langley & Abdallah, 2011).

RESEARCH METHODS

Much more time needs to be spent on "studying the presently small number of supply chains that are trying new things that do not fit expected patterns and so on." (Pagell & Shevchenko, 2014). Two qualitative case studies form the empirical part of this process research in which we aim to investigate *how* exemplar organizations do indeed try such 'new things'. Qualitative case studies "primarily use contextually rich data from bounded real-world settings to investigate a focused phenomenon" (Barratt, Choi, & Li, 2011), and they are suited to research that aims to understand patterns of evolution over time (Langley & Abdallah, 2011), such as processes of management innovation. The analysis of patterns of evolution requires searching for regularities in temporal patterns over time, rather than looking for differences (Langley & Abdallah, 2011). Collaboration with the case companies encourages the exploration of research territory that is relevant to the industry (Guide & Van Wassenhove, 2007).

The unit of analysis is the innovation process of SSM practices within two selected multinational enterprises (MNEs) at the micro-organizational level of their actors and firm communities.

Our case data are used as process narratives in order to study change and narrate sequences of events or 'change stages' within 'real entities' (Van de Ven & Poole, 2005). Narratives can provide rich data on real phenomena (Doz, 2011) when aiming to develop process theories based on deeper structures, that are not directly observable in practical settings (see also Welch, Piekkari, Plakoyiannaki, & Paavilainen, 2011). In our cases, the sequence of events in their SSM development and the roles of various actors in this development process are 'narrated'. In order to stay close to the data, quotes are frequently used in these narratives[3] (Langley, 1999).

Sampling and Data Collection Methods

Sampling of more than one case enables cross-case comparison and adds confidence in findings (Miles & Huberman, 1994). We selected a limited number of cases (two), as is often encountered in process research (Van de Ven & Poole, 2005). A limited number of cases still allows for quite detailed analyses and reporting per case, and assists in further theoretical development (Barratt, et al., 2011; Jonsson & Foss, 2011). Barratt, Choi and Li (2011) and Siggelkow (2007) point out there is room for one or two cases when the research study uses exemplars. In our research, both companies decided to go public with their "company-wide" sustainability announcement, which allowed us to witness the setting up of a transition to full-company SSM practices.

When selecting the two cases, purposive sampling, based on theoretical underpinnings, was used (Eisenhardt, 1989; Miles & Huberman, 1994). Our research focus is on SSM which has been subject to substantive management innovation. This implied the selection of exemplar companies, which were ahead of others in terms of their SSM. Two exemplar companies in the field of SSM were selected, based on

[3] In chapter 2 interviews partially took place in Dutch. Quotes from those interviews have been translated.

publicly available documentation and a range of third party ratings, reports and rankings. For the last five years at least, both companies had been consistently rated among the highest scorers in their industry by the Dow Jones Sustainability Index (Fowler & Hope, 2007). They had also been highly ranked by other indicators such as, amongst others, the 'Responsible Supply Chain Benchmark'[4] and (one of the two case companies) in 'the Global 100 List'[5]. Secondly, although the case companies are leading in different industries, in both cases supply management had to be of strategic importance to their core production processes, and a substantial part of the company's total revenue.

Various data collection methods are used in order to enable triangulation. Major sources of information were: (i) semi-structured interviews, (ii) archival data from internal and external publications, including annual reports, sustainability reports, company publications, and newspaper articles about the company. In addition, (iii) an international supply chain conference in Europe (2010) at which both case companies presented the outlines of their SSM approaches, was attended.

An interview guide was developed for the *semi-structured interviews*, and verified during two separate peer reviews with supply management experts, as part of the case study protocol which was developed before data collection to enhance reliability of the case studies (Eisenhardt, 1989; Yin, 2009). Interviews followed, but were not restricted to the interview guide (see Appendix 2.1). A small pilot study in another exemplar MNE from the electronics industry was also conducted and although it did not require major changes in the setup, it allowed minor improvements to the protocol. For both case studies, interviews happened to take place just before the company-wide launch of sustainability targets involving SSM. The researchers only knew that these launches were planned after the research had started, since this information was highly classified and not publicly available. Due to the timing of the case studies, important parts of the management innovation process were in an early stage and recently planned. This meant firstly that a select number of people were aware and involved in the innovations and could be interviewed and secondly that

[4] For this initiative, see: http://www.duurzaamaandeel.nl/medialibrary/235/benchmark-responsible-supply-chain-management-2010

[5] More qualifications could be added, but for the sake of anonymity, we have mentioned only a small selection. For the global 100 list, see: http://www.global100.org/annual-lists/2010-global-100-list.html

interviewees from each case company had different functional backgrounds. Interviewees from different functional areas, provide multiple approaches to the same phenomena and the possibility of triangulation, which enhances the reduction of social desirability biases (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). For Company A, this meant interviewing the Global Sustainable Procurement Director, the Procurement Director Commodities Europe, the Supply Management Director of Supplier Assurance and Compliance and the Global Supply Chain Director Sustainable Agriculture. For Company B the Vice President Purchasing Chemicals, the Sustainability Director and the Vice President of R&D of one of its major business units were interviewed. Interviews were primarily conducted in person by the first author (in two cases, when site visits were not feasible, over the telephone) using mainly open-ended questions as a starting point, but without preventing the interviewee from raising new aspects that could be relevant. All interviews were recorded. Interviews varied from one to three and a half hours and took place mainly by visiting sites in Europe.

Archival data from internal and external publications were a second important data source. Table 2.1 provides details on the documents from each company and the way the data were applied. The archival data helped to validate and in some cases extend information from interviewees. It showed, for instance, how the company communicated externally about its set SSM targets.

A third source of information, in addition to interviews and archival data, was an *international supply chain conference* (2010) at which both case companies presented their SSM strategy (company A: two presentations by the CPO and chairman Europe; company B: one presentation by the CEO). Those presentations provided real-life examples of actual external communication about SSM innovation. Notes and recordings[6] made at this conference served especially to broaden and strengthen researchers' insights into the companies' strategies and communication about the latter.

[6] They were neither part of the coding process described below nor sources for citations in this study.

TABLE 2.1

Archival data from internal and external publications

	Company A	Company B	Remarks
INTERNAL PUBLICATIONS (PUBLISHED BY THE CASE COMPANY)			
Annual reports	(Sustainability) reports 2008-2010	(Sustainability) reports 2008-2010 & 2002-2007	SSM-related information was selected/coded in those documents. For Company B, which had relatively heterogeneous first initiatives, sustainability reports 2002-2007 were included for additional insights.
(Internal) policy documents (both public and non public)	Approx. 15 internal publications, incl. e.g.: • Code of Business Principles • Procurement: Supplier Presentation • Supplier Code • Sustainability Plan 2010 • Sustainable Sourcing Code	Approx. 32 internal publications, incl. e.g.: • Risk Management Report 2009 • Supplier Code • Suppliers Sustainability Questionnaires • Sustainability Plan 2010 • Vision Document Sustainability • Business Principles	Those publications provided: • tri-angulation [i]: confirmation of information from interviews (e.g. on company policies: company strategy presentations, vision documents, supplier codes of conduct) • some extensions or additional details/examples (e.g. additional examples of projects in the early communities working on SSM or details of procedures and policies) • tri-angulation [ii]: real examples of communication about SSM innovation (e.g. in press releases) Notes were made for each document
EXTERNAL PUBLICATIONS (PUBLISHED ABOUT THE CASE COMPANY)			
	Approx. 30 external publications about company A's sustainability approach (journals, academic journals, papers, internet), incl. e.g.: • VBDO benchmark document 2010 • DJSI SAM document • Profile of industry program for responsible sourcing (comp A participant)	Approx. 12 external publications about company B's sustainability approach (journals, academic journals, papers, internet), incl. e.g.: • VBDO benchmark document 2010 • DJSI SAM document	Archival data such as external notes (on the internet), reports and ratings provided: • external confirmation of exemplar status (ratings including their explanation) • background information on the case companies (which had been the subject of case studies in academic articles)

Data Analysis Methods

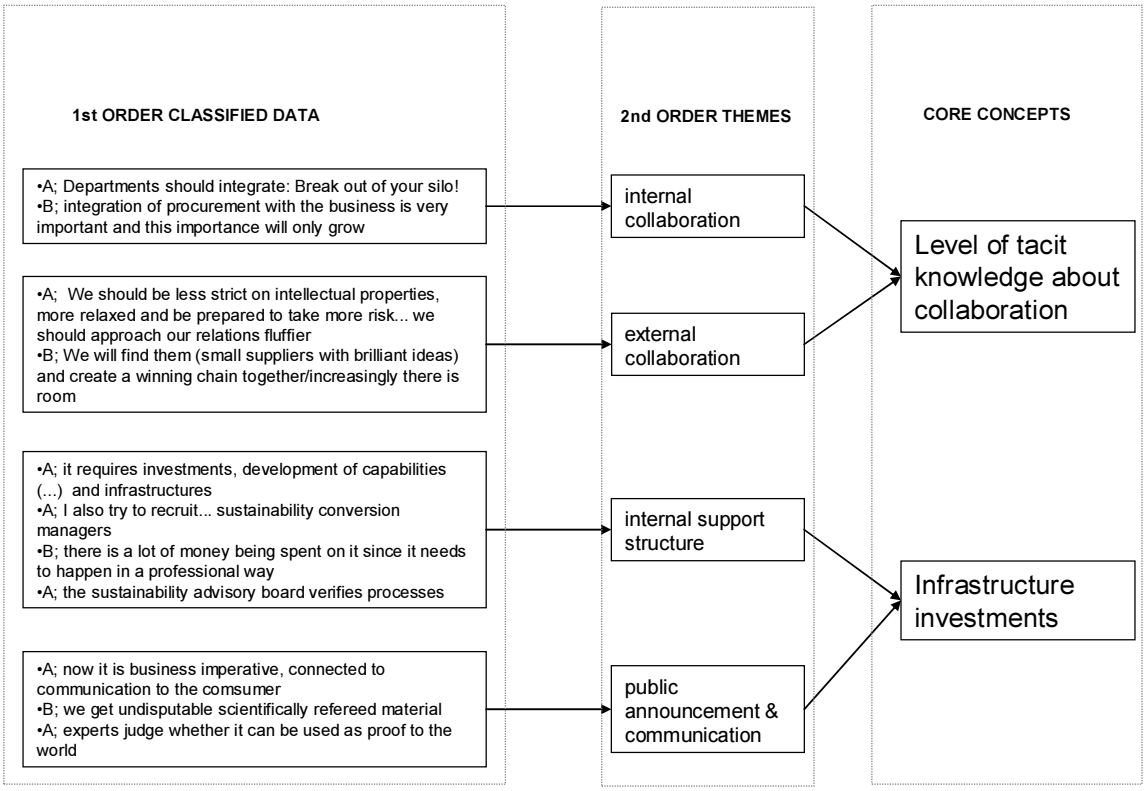
The data analysis was set up using a general inductive approach in three stages, guided by our research questions. In the first stage, following the research protocol, a preliminary coding list had been set up ex ante, with general categories based on the research questions (Miles & Huberman, 1994). This was the basis for the coding process. Transcripts were read many times in order to identify and apply appropriate codes and sharpen, adapt and detail the coding list (see Appendix 2.2). For instance, when major sequences appeared from the data, it was possible to refine the codes to (three preliminary) identified stages. Next, actor roles could be added according to the roles we encountered in our research. Transcripts and archival data were reread and recoded. Final analysis of coding was carried out independently by two different researchers to increase reliability (Barratt, et al., 2011; Eisenhardt, 1989). Differences in interpretations of data and codes were discussed and resolved until full consensus was reached between the two researchers.

In the second stage of data analysis, emerging patterns and themes were identified per case, resulting in diagrams and time lines of events. This within-case analysis aimed to provide an in-depth understanding of how SSM management innovation had evolved in the two case companies. Diagrams served to connect and select major themes iteratively.

Based on cross-case similarities and contrasting patterns, captured in displays (Miles & Huberman, 1994), the third stage of data analysis combined a range of diagrams. Sequences were analyzed to find out how SSM was innovated, including the position of knowledge and the role of actors in those sequences. An illustration of the connection between the data and higher-level constructs is provided in Figure 2.1. From our case data we found preconditions that facilitated the transition between major stages of management innovation, i.e. from the early work of pioneers in small communities to company-wide adoption of SSM practices. Firstly, dedicated infrastructural investments were recognized as preconditions and secondly, tacit knowledge about both internal and external (inter-firm) collaboration appeared to be a fundamental precondition. Figure 2.1 illustrates how those preconditions appeared by clustering raw data into themes.

FIGURE 2.1

Preconditions: Clustering raw data into themes



Finally, representatives of both case companies validated the analysis to enhance the credibility of the findings. This did not lead to major changes in the contents of the case reports.

CASE FINDINGS

After a short introduction to the two case companies, we describe the processes whereby SSM has emerged within these companies. Subsequently, a cross-case comparison is made to capture both similar patterns and differences between the two cases.

Both case companies are multibillion Euro companies with tens of thousands of employees. 'Company A' produces and packs branded food, home and health care products. The company is a multinational headquartered in Europe, but with locations worldwide and a special focus on emerging markets. The company is listed on the European stock market. Company A has been actively working and reporting on sustainability for over a decade. It has initiated and participated in round tables with various stakeholders and in development of global sustainability standards. Sustainability is at the heart of its mission, and is strongly supported by its top management team. Its position in the Dow Jones Sustainability Index has been consistently amongst the highest rankings for over a decade.

The second case study was conducted at 'Company B', a multinational in the chemical industry. Company B creates chemical materials for the health care industry and a broad range of manufacturing industries. Historically, health, safety, and, later, the environment, have been important to Company B, which is headquartered in Europe, and has locations on five continents. Company B is listed on the European stock market and it has been ranked amongst the highest scorers in the Dow Jones Sustainability Index for several years. An annual sustainability report has been published for over ten years.

Within-Case Process Description Company A

In the mid nineties, the environmental officer of Company A put to a board member the sustainability of sourced materials as "*something relevant that will increasingly need attention*". The board member recognized and shared this opinion and the employee was given a budget to develop his ideas. Sustainable agriculture was selected as relevant to the company and the initiative has gradually grown since then. In 1998 it became a separate program, of which the first five years were spent on five key materials. In those first five years, sustainability standards were developed for these materials in co-operation with the farmers who were growing the agricultural resources. These standards were later consolidated into one generic standard. In

addition, elsewhere in the organization, other projects were set up, such as, for instance, a sustainable dairy program that has resulted in the use of sustainable milk for selected products. Preliminary participation in industry initiatives for e.g. the development of standards, was also established.

As an independent and separate step, in 2006, a small team was formed for what was called "responsible sourcing". Company A distinguishes responsible sourcing and sustainable sourcing very explicitly as different approaches. *Responsible* sourcing means to mitigate risks by ensuring full supplier compliance with the business code and absolute mandates (like: no child labor, forced labor, corruption or environmental violations). A process of audits and self-verification has been set up to support responsible sourcing. In contrast, *sustainable* sourcing represents a pro-active approach to realizing more ambitious sustainability targets in collaboration with selected suppliers over and above the minimum requirements. As phrased by the Global Sustainable Procurement Director: "*Sustainable sourcing is a layer which comes on top of responsible sourcing. Responsible sourcing are the obligations about which we do not need to talk a lot…".* For responsible sourcing, Company A has co-developed an industry movement in around 2006 and in 2009 it connected to an on-line data exchange between suppliers and customers which enables supplier assessments to be shared via a common database.

In 2010, a company-wide "Sustainability Plan" was presented to the world. This plan has ambitious growth targets for the decade until 2020, and also aims to reduce environmental and social impact simultaneously throughout the supply chain. This plan and its presentation to the world marked a transition, initiated by management, as illustrated by the Procurement Director Commodities Europe: *"It is a business decision. You see a difference: before a lot happened without publicity and now it is even part of our strategy…The moment you make it part of the strategy, everyone starts to move…."* The Sustainability Plan focuses on the whole life cycle of the products in which the sourcing of raw materials is recognized as an important impact area for sustainability. Greenhouse gases, use of water, waste management and sustainable agricultural sourcing are presented as pillars of the environmental targets.

In order to realize the commitments announced, Company A has established an internal team to support the company-wide sustainability approach both internally and

externally. This team is expected to tackle SSM's complex challenges, which are outlined by the Global Sustainable Procurement Director as "*…new business models of working with suppliers that require investments, development of capabilities, training people, courses and infrastructures."* This global "Sustainable Procurement Team" of five people provides internal training on sustainable procurement for internal employees, addressing communication and co-operation with suppliers. The team also trains selected suppliers in sustainable practices[7]. Alongside this sustainable procurement team, a second team works on "sustainable sourcing development". This team is responsible for the further optimization of standards and policies, like the agricultural standard and a new strategy for non-renewable materials. This team is supposed to not face operating pressures, but tackle strategic questions about appropriate approaches towards sustainability and SSM.

For each product category, either company A's internal standard or an external standard is applicable. If credible external certification systems already exist for a product category, then suppliers are urged to go in that direction. For agriculturally based materials for which no external certifications exist (like Rainforest Alliance, Fair Trade), their own sustainability programs were rolled out, using a software-based verification system. This system: *"has been verified by experts, the 'sustainable advisory' board (NGOs, academia, suppliers) to judge whether it could be proposed to suppliers (…) and whether we can we use that as proof to the world.",* explained the Global Sustainable Procurement Director.

The introduction of a company-wide SSM approach requires real change in the organization and a mindset switch towards internal collaboration, as underlined by the Global Sustainable Procurement Director: *"Departments should integrate: Break out of your silo! For this a mindset switch is needed…".* In a similar vein, talking about external collaboration, he indicates that intellectual properties should not be managed too strictly: "*We should be more relaxed and be prepared to take more risk; then suppliers open up, then they can show ideas about which you think "Woow we can use this very well!"*, and he continues: *"…we should approach our relations fluffier -*

[7] Around seven Supply Directors worldwide, the people responsible for e.g. palm oil or sugar for their region, each have a team of 20-30 people; they select strategic suppliers for customized objectives and training.

our CEO emphasized this- and take calculated risks because then people will come to you. This is a mindset switch however.". This open attitude is stressed as the most vital change needed in the organization for successful company-wide SSM practices.

Within-Case Process Description Company B

Within Company B, efforts to enhance sustainability throughout the supply chain started as scattered initiatives in some business units (BU's). Those initiatives varied considerably according to the different environments and challenges of those BU's and were not connected. A few examples of such initiatives include a supply chain project, as part of a BU's sustainability program, and an energy-saving project over a few selected product chains. For another BU, the green partner status of a major customer required the involvement of their suppliers.

On a company level, a start was made from 2005 on to evaluate suppliers systematically in terms of minimum sustainability standards. Company B labels this as an early stage of SSM, initiated by its procurement department. The evaluation system is based on internal standards (like a code of conduct), procedures and audits. As the Vice President Purchasing Chemicals explains, audits are carried out by internal staff rather than external offices: *"First of all we still learn a lot from those audits and secondly we are going to coach and assist suppliers and we will collaborate increasingly."*

In 2010, Company B publicly announced a far-reaching, company-wide strategy involving explicit target setting, which would affect sustainability in the Supply Chain for the next five years. With this strategy, sustainability is positioned as a value driver, rather than a compliance issue. Sustainability is one of the pillars that should support maximum sustainable and profitable growth, together with the pillars of investing in the BRIC countries (Brazil, Russia, India, China), innovation and acquisitions. The sustainability ambitions, reflected in the five-year targets, implied that over 75% of newly developed products should have a low ecological impact compared with the main competing solutions (based upon internal expert opinions), while half of the existing products should have a low ecological impact compared

with the main competing solutions. Substantial increases in energy efficiency and reductions in greenhouse gases are also targets for the next ten years. Achieving these targets requires intense involvement of supply chain members. Since Company B controls only a small part of the life cycle, collaboration with supply chain members is important to reduce the overall 'ecological footprint'. As the Vice President Purchasing Chemicals points out: *"we only play a modest role in the value chain, we count for 1/3 of the carbon footprint, whereas suppliers count for 2/3".* Company B is working with suppliers to reduce their carbon footprint substantially in the next ten years.

Company B has started to work through a network structure with champions to integrate sustainability throughout the business. One sustainability champion per department is selected and assigned, based on his/her affinity with sustainable business. These champions are selected to be linking pins between the sustainability activities and policies from staff departments like the central sustainability department and their own department or business unit. They are given a role rather than a function. This network structure has been instigated by the Sustainability Director who aims to *"...connect to people who are motivated, so not through rules and requirements but as a business issue where it fits the business."* Alongside this network structure, the Purchasing Strategic Dialogue Team, in which purchasing managers of the BUs participate, develops ideas about how to develop sustainable sourcing. The aim is to include customized and far-reaching collaboration with suppliers, varying from the development of new sustainable products with existing suppliers to the introduction of new concepts with new supply chain partners. In parallel with the network structure and the strategic dialogue team, external experts are involved, amongst others to share knowledge, but also as a means of external verification. As the Vice President Purchasing Chemicals stated: *"It doesn't come out of the blue. There is a lot behind it, there is a lot of money being spent on it since it needs to happen in a professional way so that we get undisputable scientifically refereed material."*

The introduction of a company-wide SSM approach will require substantial change in the organization and a new attitude towards internal and external collaboration. The Sustainability Director indicates how specifically in this respect

the procurement function should be further integrated in the business: *"Integration of procurement with the businesses is very important, and this importance will only grow. If we can sell "green", then we have to pay more attention to that in terms of procurement ...."*. He continues in a similar vein about suppliers: *"We need to change from 'liability thinking' to 'asset thinking'."*... The need for a more open attitude towards potential new suppliers as well, is stressed by the Vice President Purchasing Chemicals, *" Some suppliers will disappear, but we will win others, like the little boutiques that have brilliant ideas which not yet have been recognized amidst the big ones. We will find them and create a winning chain together ...."* In company B, internal and external collaboration have been identified as absolute key enablers for successful company-wide SSM.

Cross-case Comparison

Sequences of innovation: Despite many differences between both cases, there are interesting parallels in terms of the process of management innovation. When comparing the timelines and the sequences of development related to SSM for both cases, it turns out that both cases show a pattern of disruption in the process of innovating SSM through management intervention, with the aim of strengthening SSM in the organization.

First, there is a period of small-scale SSM initiatives over many years. Those first initiatives can be described as projects that try out and set out new directions for SSM, undertaken on a relatively small scale by small groups.

Then, in the same year (2010), both companies mark the start of a new period by the public announcement of company-wide targets. This announcement of company-wide consolidation is instigated by the Management Team, presenting far-reaching company-wide sustainability policies with explicit target setting designed to affect sustainability in the Supply Chain. The policies announced cover the life cycle of the products and so heavily involve supply management in both cases. Moreover, both announcements include quantitative targets for the entire organization for the coming ten years. For the new period of company-wide consolidation, both companies

developed new processes and responsibilities to facilitate a company-wide roll-out. Based on the timelines, we can identify two subsequent, main stages of SSM development within both companies (see Table 2.2).

TABLE 2.2

Cross-case comparison for emergence of SSM

Stage		Company A	Company B
Stage 1: Starting between 1990 and 2000	First SSM initiatives	Development of sustainable agricultural practices and codes resulting in external certification for certain products and an internal standard.	Separate initiatives regarding SSM in different business entities.
	Evaluation of suppliers' social conduct	Co-development of industry program for responsible sourcing started in 2006. Connection to external process and software was realized in2009	Internally developed procedure of supplier (self-) assessments and audits. Company specific, started in 2005.
Management intervention: Introduction to stage 2; 2010	Announcement of company-wide sustainability commitments	In 2010, Company A's sustainability plans -with a major role for SSM- for the next ten years are presented.	In 2010 the longer-term corporate strategy is presented with an important position for sustainability and SSM.
	Published SSM commitments	Quantitative sustainability commitments on e.g. decoupling growth from environmental impact and achieving absolute reductions across the product life cycle.	Quantitative commitments on actual and future products, which should lead to a significantly lower environmental impact during the total life cycle compared with the alternatives they compete with
Stage 2; target horizons 2015/2020	Support structure to facilitate company-wide realization of targets.	Two support teams have been set up to [1] enable the business to fulfill its target commitments on sustainable sourcing by training and supporting both internal employees and selected suppliers and [2] to further optimize of standards and policies. Target horizon: 2020	Network structure with support roles throughout the organization (champions) to integrate sustainability throughout the business. Alongside this, purchasing teams develop sustainable sourcing ideas. Target horizon: 2015

Throughout the two stages shown in Table 2.2, differences between both case companies are also observed. The scattered initiatives in the first stage seem to be more diverse in company B where separate initiatives regarding SSM emerge in different business units, varying from energy-saving projects in product chains to the involvement of suppliers in the "green partner" activities of a major customer. Initiatives in company A are diverse as well, but in general they share a focus on the

development of sustainable (industry) practices and codes. A second noteworthy difference is found in the approach towards the evaluation of suppliers' social conduct. Company B considers its "evaluation" activities as an important first initiative in the process of SSM, designed to mitigate risks. Company A, by contrast, labels evaluative activities as "responsible sourcing" and not as part of SSM. For this purpose, company A has a separate department of supplier assurance and compliance. Both companies introduced a system of evaluation in around 2005. However, whereas company B introduced a company-specific procedure of supplier (self-) assessments and audits carried out by its own employees, company A participated in the development of an industry program for responsible sourcing.

In addition to the cross-case differences in stage one, the second stage of consolidation also shows business-specific characteristics. SSM commitments differ since they are business specific by nature. Another major difference in the second stage can be found in the support structure that both companies have set up for company-wide consolidation of SSM. Company B's network structure has champions whose aim is to integrate sustainability throughout the business. Champions are selected on the basis of their affinity with sustainability and are assigned a role rather than a function. At a central level, the sustainability coordination group and the purchasing strategic dialogue team can both provide support. Company A has two central, dedicated support teams for sustainable sourcing, which build on the experiences of the first stage. One team enables the business to fulfill its target commitments, while another team is responsible for the further optimization of standards and policies.

Key actors and assigned actors: Different types of actors play a role in innovating SSM during the sequences of innovation in our cases: early pioneers, top management and assigned actors like external experts and the internal support force, who represent an important part of the infrastructure. In both case companies, early pioneers start SSM initiatives and top management then becomes an important driving force, placing it high on the corporate agenda by setting targets for the entire company and publicly announcing these targets. An overview of four archetypal roles that have been identified is provided in Table 2.3.

TABLE 2.3

Archetypal internal and external roles throughout the two main stages

	Role (internal/external)	Role prevalent in:	Focus of activities:
Key internal actors	Pioneers (internal)	Stage 1	Place SSM issues on the agenda and initiate and experiment with new SSM developments, resulting in Communities of Practice
	Managers (internal)	Stage 2	1. Recognition of business relevance 2. Company-wide introduction through strategy and target-setting. Intervene to transform from Communities of Practice into an internal Network of Practice
Assigned actors	Support force (internal)	Stage 2, roll-out	An assigned role for cascading down and supporting realization of the new strategy through training and/or communication
	Experts (external mostly)	Preparations in stage 1, and further developments in stage 2	1. Process content development support 2. Involvement of experts enhances legitimacy in the eyes of both internal and external stakeholders

Knowledge building: The new SSM practices of company A and B have a similar pattern in terms of knowledge building throughout the two stages. In the first stage, the focus is on knowledge generation about SSM practices in pioneering projects, whereas in the second stage knowledge and practice dissemination throughout the organization has a central position as well. In the first stage of innovation, through pioneering projects, knowledge is built up by individuals and small groups and is also fed by external sources, contacts and communities. For instance, company A has, amongst other things, initiated an agricultural code and procedures around it through internal and external co-operation. Similarly, in company B, knowledge is being developed in this first stage of innovation that forms the basis of a supplier evaluation tool and of related audit practices and supplier development efforts.

During the second stage of innovation, knowledge dissemination occupies a central position. Knowledge that has been developed previously needs to be spread from small groups of employees across the entire company. Although the explicit knowledge about the new SSM processes is obviously different for both companies due to their different supply chains, the tacit knowledge that has been highlighted as

critical in both cases, is generic. Both companies stress the importance of tacit knowledge ("knowhow") in the area of SSM collaboration, inside the company *and* externally (in inter-departmental relations or externally in relations with supply chain members). This implies an attitude of "open up" and trust, which has been identified, by both companies, as vital for internal and external collaboration and to the success of company-wide SSM innovation.

DISCUSSION AND PROPOSITIONS

Common patterns to do with sequences, actors and knowledge accumulation and dispersion can be drawn from both cases. We elaborate on those patterns in this section, resulting in an overview of SSM innovation sequences and propositions for future research.

Management Innovation Sequences from CoPs to an iNoP

The small communities, which were already working on SSM before any company-wide initiatives took place, resemble Communities of Practice (CoPs), as identified in MNEs (cf. Brown & Duguid, 1991; Roberts, 2006; Tallman & Chacar, 2011). CoPs are small, focused, localized groups of individuals within the company who have a mutual engagement in some SSM practice(s) (Tallman & Chacar, 2011).

In both companies, the process of emergence and growth of the first SSM initiatives share a bottom-up mechanism that expands to a CoP. This first stage of CoP development, which extends over many years, confirms that management innovation is a diffuse and gradual process (Birkinshaw & Mol, 2006), providing important experiences and knowledge as a basis for further company-wide management innovation within SSM. Key actors in these early stages of emerging SSM initiatives are 'pioneers' and 'leaders'. We describe pioneers as individuals (typically at the middle or lower level of the organization) who set up SSM initiatives which take root somewhere in the organization, potentially resulting in CoPs (Tallman & Chacar, 2011). These pioneers resemble environmental project

champions (Gattiker & Carter, 2010), who face the challenge of overcoming intra-organizational resistance, mainly across functional boundaries. In our cases, pioneers initiated new developments, while top management facilitated them, in line with the usual spontaneous emergence of Communities of Practice, which require cultivation (Roberts, 2006). Although management innovation is not necessarily developed by top management, they may create the organizational conditions for experimentation with and introduction of new management processes, practices or structures (Vaccaro, et al., 2010).

After the relatively long period of CoPs emergence, a drastic change was made, in both cases, to internal Networks of Practice (iNoP). Single CoPs were intended to expand to a company-wide approach through an iNoP, comprising larger, more dispersed groupings of communities and individuals throughout the MNE (Tallman & Chacar, 2011); This change usually requires managerial intervention, which in our cases mainly took the form of (i) preparations and public announcement of company-wide targets, (ii) setting up of a dedicated infrastructure to cascade the new targets across all operations.

Target setting appeared to have two major effects. Its first effect derives from its public character. Public commitments are like pledges to society, which would not normally be made if they had no societal relevance. The public announcement of targets by both case companies can be seen as a distinct form of pro-active engagement with key stakeholders and as communication to customers, which is recognized as a major facilitator of SSM (Carter & Easton, 2011). Secondly, in addition to its external effect, the public announcement of targets underlines the importance of SSM to the internal organization and provides internal momentum to employees.

Alongside public target setting, a second important aspect of managerial intervention in our cases is the setting up of a dedicated infrastructure to strengthen SSM as part of the company-wide sustainability approach, by supporting subordinates to whom the process might seem ambiguous (Vaccaro, et al., 2010). Typically, management innovations in general are intangible and emerge, like Communities of Practice, without a customized infrastructure (Vaccaro, et al., 2010). However, for their company-wide consolidation into an internal Network of Practice (Birkinshaw,

et al., 2008), both companies designed a customized infrastructure, which included supporting roles, like the champion structure within Company B or the "Sustainable Procurement Team" within Company A. We here define infrastructure as the set of measures, new roles and organizational changes that have been set up to facilitate the company-wide roll-out of SSM.

In terms of actors in the second phase, the role of leaders changes from an initially facilitating role with regard to CoPs to a driving role with regard to consolidation into an iNoP. Due to its prominent role within the organization, top management is vital (Carter & Jennings, 2004; Pagell & Wu, 2009) and can influence management innovation considerably (Vaccaro, et al., 2010).

FIGURE 2.2

Overview of SSM Management Innovation Sequences: from CoPs to an iNoP

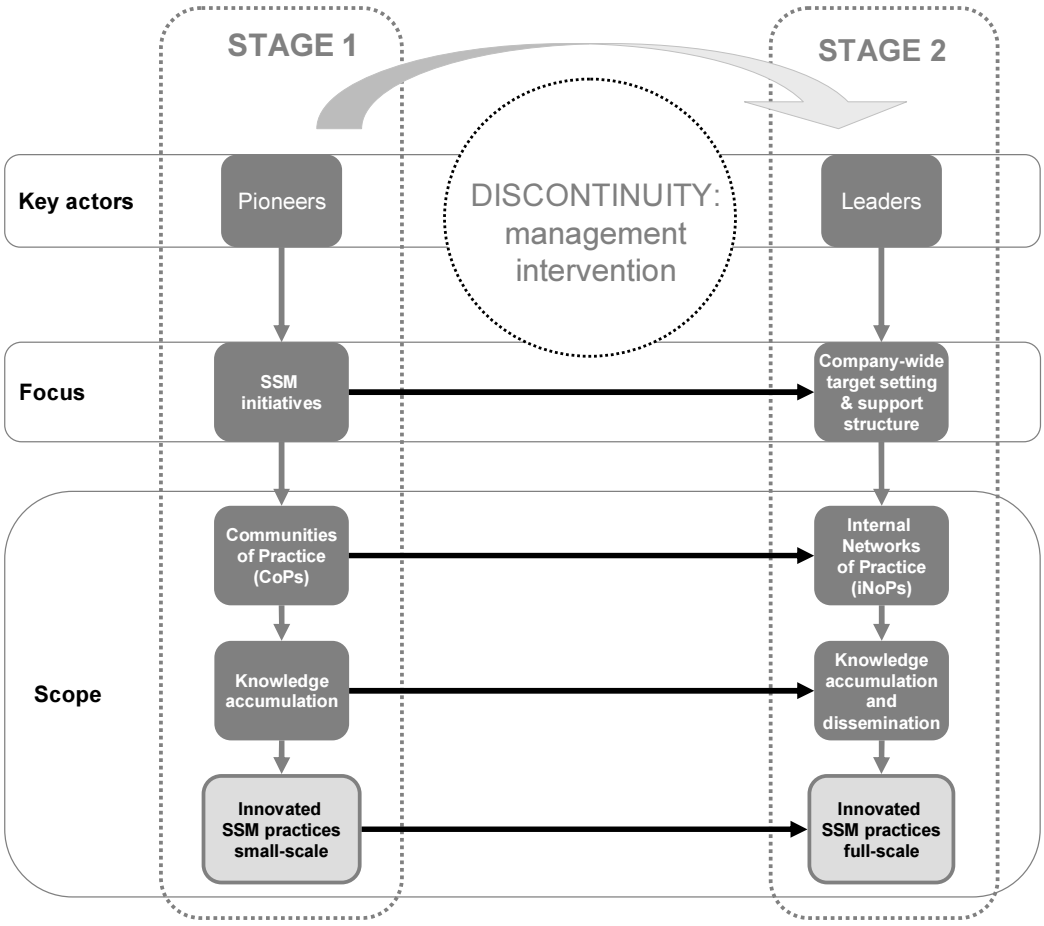


Figure 2.2 presents the case companies' SSM innovation sequences, key actors and scope (organizational entities involved, the role of knowledge and resulting practices) for each stage.

In summary, throughout the sequences leading from CoPs to an iNoP, SSM knowledge is created, accumulated and spread with pioneers and leaders playing a prominent role. The discontinuity observed in the process of SSM innovation is caused by management intervention with organizational leaders playing a key role.

Sequences and path dependency: Management innovation can deliver a sustained first-mover advantage because of its context-specific character which cannot (easily) be copied. Throughout its sequences, specific organizational capabilities can be developed and resources and capabilities can be reconfigured to respond to the requirements of a changing environment.

This process involves a 'path dependency', also encountered in studies of dynamic capabilities (Teece, 2007). Path dependency refers to the history of an organization (Schreyögg & Kliesch‐Eberl, 2007). A firm's current position and its future depend on past developments. Sequences in management innovation may reveal such paths. For instance, SSM capabilities and the resources that are developed in CoPs can influence the potential of an iNoP. Knowledge accumulation in the early stages is the context-specific basis for subsequent sequences. We argue that the more developed SSM is in the early stages of CoPs, the stronger the basis for future, company-wide implementation and development, and so the greater the extent to which sustainability will be incorporated in SSM practices in succeeding phases, like an iNoP. We therefore advance the following proposition:

Proposition 1: There is a positive relationship between investments in CoPs in order to build an SSM knowledge base and the extent to which sustainability is incorporated in the supply management practices of the succeeding iNoP.

Preconditions were found to exist for the transition from CoPs to an iNoP, which was initiated by management. The dissemination of knowledge and the company-wide realization of a new SSM approach needs firstly an infrastructure and secondly collaborative skills.

Precondition; Infrastructural investments: Infrastructural investments enable the transfer from CoPs to an iNoP. Internal resources, skills and support are needed to make SSM proactive (Hoejmose & Adrien-Kirby, 2012) and in our cases to transform SSM into a larger, company-wide approach (see Figure 2.2). Two major examples of infrastructural investments are (i) the internal support structure and (ii) the public announcement of and external communication about SSM and its targets. Both companies have designed a dedicated infrastructure to pay special attention to commitment and communication across the organization during the company-wide roll-out. This now addresses the challenges that sustainability initiatives face due to resistance by employees in various functional areas across the organization (Gattiker & Carter, 2010). The public setting of targets concerning sustainability criteria is a vital mechanism for guaranteeing sustainability results to the outside world. This is especially suitable for socially relevant themes (Smith, 2009).

Pioneers and leaders involve and assign other actors to work on this infrastructure. For instance, employees are assigned to facilitate the roll-out; in addition, external (sustainability) experts have advisory roles. The employees who are assigned to facilitate the roll-out are part of the internal infrastructure for the company-wide consolidation of SSM. A particular category of assigned actors are external experts, who often play a legitimacy-enhancing role. Management innovators need to reinforce the legitimacy of the new practice in order to make it acceptable within the organization (Birkinshaw, et al., 2008). In the case of SSM, however, with its important societal aspects, legitimacy in the eyes of the outside world is vital as well. During the first stage, experts may provide advice on new processes and structures, while for the company-wide roll-out they provide external validation (Birkinshaw, et al., 2008). Hence, the dedicated infrastructure, which includes hired personnel (like experts), enables and facilitates SSM as a management innovation internally, but especially externally as well. Legitimacy in the eyes of the outside world is further

reinforced by the public announcement of targets and by further communication to the outside world, which is a distinct infrastructural investment in itself.

In summary, the positive relationship between the work of pioneers in CoPs and resulting company-wide SSM practices to meet set targets, requires an infrastructure capable of dispersing SSM throughout the organization and of communicating about it internally and externally. We therefore advance the following proposition:

Proposition 2: The transformation from CoPs with an SSM knowledge base to an iNoP in which SSM practices are embedded company-wide, requires investments in a dedicated infrastructure.

Precondition; Tacit knowledge about collaboration: An additional precondition evidenced by our data on the relation between early SSM investments and resulting SSM practices (see Figure 2.2) is the level of tacit knowledge about collaboration. Tacit knowledge or "know-how" is the ability to put explicit knowledge ("know-what") into practice and is hard to spread or co-ordinate (Brown & Duguid, 1998). It is intuitive and unarticulated and of key importance in organizational learning and innovation (Lam, 2000). Both cases show in several ways that "knowing how to collaborate" is urgently needed by the organizations, in order to enhance SSM. This means making a radical departure from more protective and risk-averse attitudes. This "knowing how to collaborate" was indicated to be vital for both internal and external relations. In terms of internal relations, employees working on SSM need to understand that, despite resistance, intra-organizational commitment and cross-functional collaboration are core conditions for successful implementation of SSM (Gattiker & Carter, 2010). In terms of external relations (like suppliers), collaboration involves the sharing of ideas and planning in an atmosphere of openness between firms (Gold, et al., 2010; Seuring & Müller, 2008). Collaboration is characterized by tacit knowledge integration, which occurs through information exchange in a rich communication setting (Klassen & Vachon, 2003).

The main challenge of knowledge management throughout the stages of innovation lies specifically in the transfer of tacit knowledge. The more tacit the knowledge, the less likely it is that it will be understood outside the Communities of

Practice where it has been developed (Tallman & Chacar, 2011), making it harder to spread. In terms of collaboration, which is tacit in nature and has been indicated by interviewees as a key condition for enhancement of SSM, it underlines the importance of having a good level of "knowing how to collaborate" in place throughout the organization.

To summarize, the first management innovation stage concentrates on knowledge development in CoPs. The second management innovation stage also concentrates on knowledge dissemination, alongside knowledge development on a wider scale. Specifically tacit knowledge about collaboration inside and outside the organization is stressed as a requirement and as the key to successful company-wide implementation of SSM. We therefore advance the following propositions:

Proposition 3a: The transformation from CoPs with an SSM knowledge base to the incorporation of sustainability in supply management practices in a succeeding iNoP, requires tacit knowledge about internal, cross-functional collaboration.

Proposition 3b: The transformation from CoPs with an SSM knowledge base to the incorporation of sustainability in supply management practices in a succeeding iNoP, requires tacit knowledge about external, inter-firm collaboration.

Conceptual Model

Based on the sequences of management innovation, we firstly proposed that the investments by CoPs in an SSM knowledge base have a positive relationship with resulting SSM practices (Proposition 1). We next proposed two preconditions enabling company-wide SSM practices: SSM infrastructural investments and the level of tacit knowledge about cross-functional and inter-firm collaboration (Propositions 2 and 3a, b).

The precondition to do with infrastructural investments is directly related to managerial planning and action. Preconditions of 'knowing how to collaborate', however, refer to generic, organizational skills that are not needed solely for SSM.

Yet, these skills in particular were indicated by interviewees to have ample room for improvement. Interviewees explicitly identified collaborative skills as a key area requiring their attention during the transition to an iNoP, and one in which considerable improvements could be made. This implies that SSM innovation activities, not only enhance the development of SSM and related technological innovation (with suppliers), but also lead to a focus on and the development of generic, collaborative skills in our case companies. This finding in particular appears to be counterintuitive, since these skills might be expected to be in place in MNEs where inter- and intra-collaboration is vital for so many processes.

The observed infrastructural investments in SSM in our cases fit in nicely with the area of research around *dynamic capabilities* (e.g. Teece, 2007; Teece, Pisano, & Shuen, 1997), which are capabilities involving the ability to sense improvement opportunities, initiate and realize management innovations.

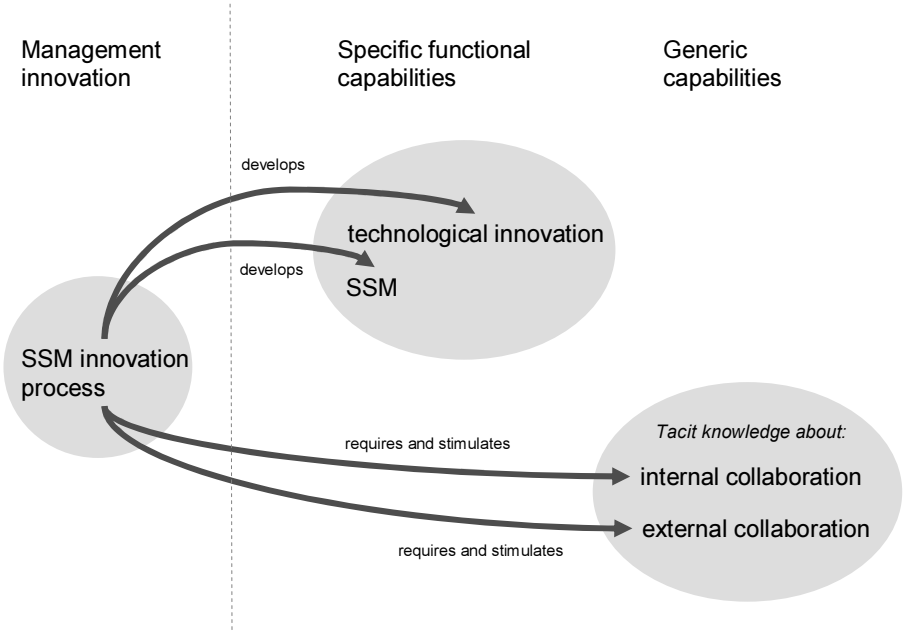
Dynamic capabilities are defined by Teece, et al. (1997) as: "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments". Dynamic capabilities reflect an organization's potential to realize innovative forms of competitive advantage, considering path dependencies and market positions (Teece, et al., 1997). Many authors have proposed other definitions which are adapted from this one (Ambrosini & Bowman, 2009; Barreto, 2010). The broad range of studies on dynamic capabilities also includes critical notes about, for instance, vagueness of the concept (e.g. Collis, 1994; Schreyögg & Kliesch‐Eberl, 2007). In general, however, there is consensus about its role in changing the resource base, about the notion that dynamic capabilities are built rather than bought, and about the idea that they are path dependent and embedded in the firm (Ambrosini & Bowman, 2009).

Dynamic capabilities refer to *intentional* changes made to the resource base which are different from changes due to 'force majeure' or 'ad hoc problem solving' (Winter, 2003). Seen from this perspective, it is worth noting that the origin of new resources may be on the one hand dynamic capabilities, but on the other hand, and by contrast, they may also emerge through processes which have not been set up deliberately (Ambrosini & Bowman, 2009).

In our cases of SSM innovation, we encounter an intentional approach for change and SSM innovation, with two important effects on resources. Firstly, SSM innovation, including closely related technological innovation (with suppliers), was deliberately planned, and organized, resulting in the upgrading of specific functional capabilities (see Figure 2.3). Secondly, the development of generic collaborative capabilities, which are preconditions for SSM, was triggered in turn and identified as an area requiring attention. This refers to a two-layered effect, one layer seems to have been a positive spin-off from the other. That said, both effects were intended, although in a different order and for different reasons. We therefore consider both to be the results of the organization's dynamic capabilities.

FIGURE 2.3

Conceptual Model of SSM Innovation Processes



Our findings might shed light on the outcomes of former research on SSM which has resulted in heterogeneous assumptions about the relationship between SSM and generic skills. Paulraj (2011), for instance, hypothesized a moderating effect of strategic purchasing skills on the relationship between a proactive environmental

orientation and SSM because of, amongst other things, the relational skills embedded in purchasing skills. This effect was not confirmed by their study. Based on our case findings, a potential explanation might be that, despite the expectation that relational skills are embedded in (the strategic purchasing function of) the firm, they can be insufficient. In addition, Pagell and Wu (2009) proposed that "a supply chain that performs poorly on traditional operational metrics will inhibit efforts at sustainability".

We are disentangling a situation in which dynamic capabilities drive not only SSM capabilities, but also more operational, generic capabilities, which support supply chains to perform well on traditional operational metrics as well, suggesting that SSM innovation may also enhance performance, based on those traditional metrics.

MANAGERIAL IMPLICATIONS

Our proposed SSM management innovation model has managerial implications. First of all, the importance of initial investments in CoPs for later practices indicates that such initial work should be facilitated and fostered. Leaders should be open and receptive to pioneers' work. Additionally, in subsequent phases, the managerial intervention of setting targets should be accompanied by infrastructural investments in SSM within the company, but also across company borders (related to supply chain partners). This requires, for instance, the involvement of internal and external experts, the training of employees and suppliers and a cross-border support structure.

The precondition that a transition to company-wide SSM requires collaborative skills has implications for practice as well. These skills might have been expected to be in place already within the exemplar MNEs, as a basis for SCM or R&D, for instance, and yet they appeared to be a critical area requiring improvement. This may prompt managers who are aiming to develop their SSM processes, to reconsider internal collaborative skills and the profiles of employees working on SSM and to offer training or to attract new people or people from elsewhere in the organization.

Such collaborative capabilities support, next to SSM, other organizational capabilities as well.

In addition, not all organizations considering SSM have the same (dynamic) capabilities and resources as the organizations in our case studies. Although our model is built on data concerning two exemplar MNEs, other and smaller types of organization can still apply parts of it. For instance, even if an organization does not "develop" (as the case companies did in their CoPs) but instead "adopts" knowledge (Crossan & Apaydin, 2010) about SSM for company-wide application (e.g. generic management standards or codes of conduct), it will need to invest in an infrastructure in order to communicate and implement these adopted practices. And although supply management and collaboration might have a different position in organizations which do not carry out physical production internally, nevertheless the changes that are required to move over to SSM will need internal and, in many cases, external collaboration as well, albeit in different respects and varying intensities.

CONCLUSIONS

In this study, we address the following research questions: '*What are the sequences through which SSM emerges within exemplar organizations?'* and *'What is the influence of the management innovation process on resulting SSM practices?'*.

This process study enhances our understanding of the emergence and *internal* diffusion of SSM as a management process. With regard to the first research question, we find in two exemplar companies sequences of innovation stages from CoPs to an iNoP (Tallman & Chacar, 2011) stimulated through managerial intervention. In addition, we find an important role for human agents, with pioneers starting small-scale initiatives and leaders initiating the transformation to a company-wide approach.

With regard to the second research question, we find that the management innovation process itself involves path dependency: in CoPs idiosyncratic knowledge and experience is developed over a long period of time, which forms the basis for

SSM in subsequent stages. The managerial intervention for transition to an iNoP leads to (i) SSM knowledge development on a broader scale, following set targets (ii) the impetus to upgrade generic organizational capabilities (knowing how to collaborate) which are prerequisites for SSM but are also important to many other existing processes (which apparently have lacked those capabilities). These sequences, in which context-specific knowledge and skills are developed, are the basis for firm performance improvement (Zott, 2003), enabling the case companies to reach the sustainability targets for SSM that they have made public as part of the infrastructure built for SSM innovation.

Phenomena like Communities of Practice evolving into internal Networks of Practice, and the different roles of pioneers and leaders have been acknowledged in innovation literature. This work, however, attempts to contribute in various ways.

Our first contribution is based on the connection with dynamic capabilities (Ambrosini & Bowman, 2009; Teece, et al., 1997). We find that dynamic capabilities, which are the basis for the ability to realize management innovation, have two-layered results in our cases. Dynamic capabilities not only develop SSM itself as a functional capability, but also address generic capabilities related to internal and external collaboration. This is counterintuitive, since these collaborative capabilities might have been expected to be in place already because of their generic character and their importance to other organizational processes. In addition, SSM innovation stimulates further technological product and process innovation. Here, it shows 'the processes of internal organizational transformation that are necessary to create preconditions' of technological innovation, whereas we tend to assume that technological innovation triggers management innovation (Lam, 2004). In short, our study disentangles the complex relationship, in our cases, between dynamic capabilities and resulting functional and generic capabilities, which are the basis for improved firm performance (Zott, 2003).

As a second contribution, we add the insights of a process study to the management innovation literature, meeting calls for studies looking into the process of creation and implementation of management innovation (Mol & Birkinshaw, 2009). We have identified sequences, the important role of management intervention, and the preconditions for SSM graduating from CoPs to an iNoP, namely a dedicated

infrastructure and the knowhow to collaborate internally across functions as well as externally. Our empirical study shows the importance of human agency beyond the role of leaders, which has been emphasized in literature (D'Amato & Roome, 2009; Vaccaro, et al., 2010). Rather than internal and external agents (Birkinshaw, et al., 2008), we recognize 'key actors' who initiate innovations and actors who are assigned (both internally and externally) to support the innovation process.

Thirdly, our study also reveals the part played by the public announcement of SSM targets, which provide and mark internal momentum, allowing Communities of Practice to evolve into an internal Network. Public announcements are not normally observed in management innovation studies and are related to SSM's societal relevance and are particularly critical for sustainability, since public interest creates pressure (Smith, 2009). These announcements enable public societal scrutiny, which is an important medium for monitoring the realization of the communicated sustainability targets and hence firm performance in this area (Zott, 2003).

Among the limitations of our research is its limited generalizability due to the limited number of cases, the specific type of companies (exemplars), and the development stage of SSM at the time of research. Nevertheless, our cases afforded insights into a small number of supply chains that are trying out new directions (Pagell & Shevchenko, 2014). This may help other organizations, which are not exemplary, but aim to further develop their SSM. Even if similar processes of management innovations are not within the reach of many other (smaller) organizations, generic lessons and ideas can be drawn by managers from the sequences and roles involved, from the knowledge creation and dispersion carried out by these exemplars while shaping SSM processes, and from the potential impacts of infrastructure and "knowing how" to collaborate internally and externally.

An interesting direction for future research would be to challenge and test our findings and propositions on a larger scale and in other empirical settings, for instance in organizations which adopt new SSM practices rather than develop them.

Sensing market and societal opportunities leads to key actors' initiatives on SSM innovation (cf. Teece, 2007). This indicates another promising area for future research, namely to address this 'sensing' and study what has been the threshold at which managers intervene in order to move to an organization-wide SSM approach.

Considering the quite similar timing of management innovation in our two cases, explicitly societal developments and external stimuli could be taken into account, alongside internal stimuli. Finally, research on the role of external knowledge sharing and on how SSM is integrated into the organization through the iNoP is a further interesting direction for future research, given that at the time of our study, the transformation process was at a relatively early stage.

APPENDIX 2.1

INTERVIEW GUIDE FOR SEMI STRUCTURED INTERVIEWS

Categories of questions for the semi-structured interviews are listed, although the interview is not limited to those questions, implying room for different or additional topics. Especially categories III and IV are optional. Terminology and definitions in the area of Corporate Social Responsibility (CSR) are still diffuse (Crane, McWilliams, Matten, Moon, & Siegel, 2008). Hence, terminology may vary per organization and so per interview. For that reason e.g. CSR and sustainability are often both mentioned.

I. General CSR and Organization

Has care for CSR/sustainability been assigned to parts of the organization? Is a CSR-department in place?

What managerial commitment towards CSR/sustainability is in place?

What stakeholders (internal and/or external) drive CSR/sustainability developments within the organization?

Are there branch initiatives in relation to CSR, or more specifically SS(C)M initiatives?

How is SCM/sourcing organized?

II. SS(C)M

What is meant by [1] SS(C)M in the organization and [2] its objectives?

Are any information documents in place regarding the SS(C)M activities?

Actual activities:

What investments have been made in the area of SS(C)M? What SS(C)M approach is in place (Code of conduct, Audits/evaluation with follow up, Collaboration)? Is the focus on practices of suppliers or does it also include reversed logistics or other innovative SCM approaches?

- What timeline was underlying those investments/activities?
- How does prioritization of SS(C)M take place (e.g. what categories or suppliers get priority)?
- (How) is the pro-active stance stimulated?
- With which suppliers are those activities taking place (differentiation on e.g. type of relation or risk profile)? To what part of the chain does it reach (first tier suppliers or further)? To what extent are investments generic for all suppliers and idiosyncratic for specific suppliers? Is supplier development secured for the own organization (isolating mechanisms)?
- Is the "People" part of the SS(C)M approach as much developed as the environmental part?

- Which part of the spend is out of scope? E.g. NPR? What about risks there?
- Do you have benchmarks? In what aspects is your SS(C)M approach different from others?

Organization/Actors:

- Who has decided on the approach towards SS(C)M? How?
- By whom are SS(C)M activities organized? (Purchasing department?) How has this been developed? Since when? Is it integral part of the business or a separate project? Knowledge exchange?
- How is SS(C)M progressing? Results? How is it being monitored? What has changed in- and externally?
- How is this communicated to stakeholders?
- Where are hick ups/challenges in the process?

Future/planned activities:

- Is a roadmap in place for SS(C)M?
- Is any "broad sustainability"(Sarkis, Cordeiro, & Vazquez Brust, 2010) planned in the area of SS(C)M (explain through examples)?
- What capabilities are needed now/in future?

III. Sustainability risks from the supply chain (OPTIONAL per interviewee)

IV. Supplier relations (OPTIONAL per interviewee)

APPENDIX 2.2

CODING STRUCTURE

SUBJECT	CODES		REMARKS
General information on the organization	ORG-	organization	Contextual information about the company, its CSR organization and policy, SCM organization and policy
	ORG-CSR	CSR	
	ORG-STRAT	strategy	
	ORG-STAKE	stakeholders	
	ORG-SCM	purchasing/SCM	
	ORG-SUPP.REL	supplier relations	
Timeline / sequences	*TI-1 INIT*	*TI 1: first initiatives*	Time and sequences are central in process studies (Langley, Smallman, Tsoukas, & Van de Ven, 2013) and innovation of management practices
	TI-2 CONSOL	*TI 2: consolidation / anouncement*	
	TO-3 ROLL-OUT	*TI 3: company-wide*	

		roll-out & infrastructure	(Birkinshaw, et al., 2008). • The subcodes TI-1, TI-2 and TI-3 have been added during the coding process. ***Findings: overview Table 2.2***
Management innovation characteristics and requirements	MI-STR	MI: structure/tools	Characteristics and requirements of the SSM innovation: • (to be) innovated tacit skills (MI-TSK) or (to be) innovated structures, tools, procedures (MI-STR) (like e.g. evaluation tools (Klassen & Vachon, 2003) • Inter-organizational relations may provide competitive advantage from a relational point of view (Dyer & Singh, 1998). MI-REL concerns SSM innovations affecting those relations. • Initially codes were in place for broad and small sustainability (Sarkis, et al., 2010), those have been non active since broad sustainability was not yet encountered. • Codes have been added for [1] the development process (DEV) regarding meetings, brainstorms, actions to plan for SSM development and [2] organizational ambidexterity (DUAL), covering the continuity of established approaches while planning for new practices (Benner & Tushman, 2003)
	MI-TSK	MI: tacit skills / behavioral	
	MI-REL	MI: relational	
	MI-DEV	*MI: development process*	
	MI-DUAL	*MI: dual capabilities*	
Actors / drivers	*ACT-PION*	*ACT: pioneers*	• Motivation (risk averse or opportunity driven) and drivers potentially affect effectiveness of organizational processes (cf. Kennedy & Fiss, 2009) • The four (driving) roles of different actors as drivers have been added during the coding process as sub-codes. Both internal and external actors play articulated roles in management innovation (Birkinshaw, et al., 2008). ***Findings: overview actors Table 2.3***
	ACT-LEAD	*ACT: leaders*	
	ACT-WORKF	*ACT: workforce*	
	ACT-EXP	*ACT: experts*	
	DR-RISK	DR: risk	
	DR-OPP	DR: opportunity	
Focus	FO: environm	FO-env	Focus of SSM activities: • Social vs. environmental (while maintaining economic stability) (Elkington, 1998) • Evaluation or collaboration character (Klassen & Vachon, 2003)
	FO: social	FO-soc	
	FO: evaluation	FO-eval	
	FO: collaboration	FO-collab	
ADDED CODES: *'new' codes that were added during the coding process are italic and underlined*			

CHAPTER 3: THE ADVOCATE'S OWN CHALLENGES TO BEHAVE IN A SUSTAINABLE WAY: AN INSTITUTIONAL ANALYSIS OF THREE MAJOR NGOs[1]

ABSTRACT

International Non-Governmental Organizations (NGOs) are increasingly important drivers for businesses' self-regulation to operate and manage their supply chains in a sustainable way. In this research we shift the perspective on international NGOs from focusing on their advocacy role -as is usually done- to focusing on their accountability for having sustainable internal operations and supply management. The research question is: '*What drives or slows down sustainable conduct of NGOs which are sustainability advocates?'*

Drawing on institutional theory, in a multiple case analysis of ten offices belonging to three widely recognized international advocacy NGOs, we find distinctive (cultural cognitive and normative) influences on their intention to behave in a sustainable way. The context -advocacy organizations- for research to sustainable conduct, reveals novel insights into the importance of intrinsic and taken-for-granted motivations for sustainable conduct. It also shows that the extent to which intentions result in sustainable conduct may be moderated by the trade-offs organizations face when balancing the investment in their (advocacy) missions with the investment in sustainable operations. Our findings are advanced in the form of propositions.

In a broader sense, this research informs us about the way advocates cope, in situations of institutional complexity, with conflicting institutional demands between their advocacy mission and role-model function. This meets the calls for further empirical examination of how organizations respond to different or conflicting demands.

[1] This chapter is the result of work carried out collaboratively with Ana Simaens and Bart Vos

INTRODUCTION

"Well, we can't really imagine why you would (...) spend about like 50 to 100 thousand on doing all the certification work because the public assumes that you are clean and that you are complying". This quote from the empirical study presented in this paper, reflects the remarkable advice given by an audit firm to an environmental non-governmental organization (NGO) that environmental certification would not be worthwhile in their situation. It nicely demonstrates the public's assumption that advocacy NGOs 'walk their talk' themselves, even though supporting evidence about the NGO's conduct is lacking This quote also highlights that sustainable behavior may require investments in resources that alternatively could be dedicated to an NGO's primary advocacy-related activities. This points to an intriguing and somehow delicate subject of whether and how sustainability advocates are driven to embed sustainability in their own internal operations and supply management. This subject is especially of interest since it is widely accepted that NGOs themselves are among the main drivers that lead organizations to self-regulate and adopt a sustainable approach in their operations including their supply management processes (Campbell, 2007; Waddock, 2008). Nevertheless, there is a lack of attention in the literature to the sustainable behavior of NGOs, and information on NGOs' internal policies and practices is incomplete or in some cases absent (Simaens & Koster, 2013).

NGOs are 'private, not-for-profit organizations that aim to serve particular societal interests by focusing advocacy and/or operational efforts on social, environmental, political and economic goals' (cf. Teegen, Doh, & Vachani, 2004). The number and influence of NGOs has grown significantly, and therefore NGOs have been recognized in an international business context as influential key actors (Teegen, et al., 2004; Waddock, 2008). In the literature, the role of NGOs as watchdogs of large multinational corporations, as well as their advocacy role in developing good practices, is well established (e.g. Domeisen & Hulm, 2006; Haack, Schoeneborn, & Wickert, 2012; Kong, Salzmann, Steger, & Ionescu-Somers, 2002; Stonich & Bailey, 2000; Valente, 2012; Van Cranenburgh, Liket, & Roome, 2013).

It is recognized that, after decades of being the demanders of accountability to major companies, NGOs have started to be questioned themselves about their conduct and accountability (Jepson, 2005; O'Dwyer & Unerman, 2008; Steffek & Hahn, 2010). NGOs are becoming increasingly aware of their responsibilities towards their own stakeholders. This need for accountability and transparency goes beyond upwards accountability to funders for how donations are spent. It concerns holistic accountability to a wider scope of stakeholders (Unerman & O'Dwyer, 2010).

When we shift the focus from NGOs as advocates, to NGOs as responsible players themselves, it appears that scant attention has been devoted in the literature to NGOs' internal sustainable practices and supply management, apart from initial research on NGOs' sustainability reporting (Simaens & Koster, 2013) and limited evidence of sustainable practices by NGOs (e.g. Low & Davenport, 2009; Wiser, Fowlie, & Holt, 2001; Zuo, Potangaroa, Wilkinson, & Rotimi, 2009). Yet, it is of interest to understand NGOs' internal sustainable conduct and the incentive to behave in a sustainable way. Research concerning companies' motives to behave in a socially responsible and sustainable way is in place (Campbell, 2007; Doh & Guay, 2006; Marquis, Glynn, & Davis, 2007; Matten & Moon, 2008). NGOs, however, are a specific type of player which serves societal interests, and institutional influences faced by NGOs are likely to differ from institutional influences experienced by players such as profit-oriented organizations. NGOs' accountability has the potential to weaken their legitimacy and credibility (Edwards, 2009), and accountability for sustainability of their internal operations and supply management even touches an area where internal conduct and mission are apparently intertwined.

Research with a focus on the position and drive of international NGOs, and especially the NGOs acting as sustainability advocates themselves, can reveal novel insights into the influences that encourage organizations to practice what they preach. This leads to the following research question:

> *What drives or slows down sustainable conduct of NGOs which are sustainability advocates?*

Sustainable conduct includes the triple-bottom-line perspective (Elkington, 1998), by integration of people, planet and profit criteria into the culture, strategy and operations of organizations (cf. Kleindorfer, et al., 2005). For the purpose of this

paper, we focus on behavior that intends to reduce environmental and social impacts, also referred to as 'weak sustainability'[2] (Roome, 2011, 2012).

We explore through multiple cases the practices of three major watchdog NGOs which target sustainability in their mission and advocacy work: an international human rights organization and two international environmental NGOs. In order to understand drivers and barriers to sustainable conduct, we investigate main lines of NGOs' sustainable conduct as well. NGOs' sustainable conduct is related to SSM in two ways. First, NGOs are important stakeholders influencing SSM and operations of other organizations (Perez-Aleman & Sandilands, 2008). In addition, the studied internal operations of the NGOs are nearly all related to SSM, since next to its procurement and supply management focus, SSM is about waste prevention by means of internal demand management. Consequently, the studied sustainable operations of those NGOs are nearly all related to procurement and SSM. Where we refer to sustainable conduct or operations in the remainder of this chapter, we also acknowledge this integral, major role for supply management. Institutional theory is used as a theoretical lens, leading to propositions on how advocacy NGOs are driven to work on their internal sustainable conduct.

This paper makes three major contributions to the extant knowledge base. First, we contribute to research on NGOs. We specifically outline how advocates act in their own area of advocacy. We provide insight into NGOs' internal conduct and especially how this is influenced by institutional aspects. These insights unravel both the NGOs' drivers behind their intention to operate in a sustainable way and the link between this intention and the behavior itself.

Second, this research meets calls for further empirical examination of how organizations respond to different or conflicting demands in a situation of institutional complexity (Greenwood, et al., 2011; Kodeih & Greenwood, 2013). We study NGOs' responses to conflicting demands between advocacy work and a symbolic function as (internal and external) role model, in which the organization practices internally what they tell others to do. We find that although the role model is

[2] This 'weak sustainability' contrasts with the notion of 'strong sustainability' which takes a more holistic approach aiming to meet targets at for instance national or international levels through changes in organizational activities (Roome 2011, 2012)

implicitly acknowledged, it has led to heterogeneous practices and policies rather than explicit organizational policies. Such explicit policies however are justified, considering the symbolic value of the role model function and its potential influence on the organizations' legitimacy.

Third, by studying sustainability in a novel context we provide an extension of research on motivations behind an organization's sustainable conduct, like intrinsic drivers and the particular and paradoxical role of a 'sustainability related mission'[3].

After an outline of the research context of NGOs and its internal conduct in relation to institutional theory, this paper continues with the methodology, the results, a discussion section in which propositions and a conceptual model are presented that followed from our exploratory research, and then the conclusion.

THEORETICAL BACKGROUND

NGOs and Accountability

The number of active international NGOs has grown substantially during the last decades, from a few hundred in 1951 to over 50.000 in 2011 (UIA, 2011; Section 2.9). International NGOs act as social, cultural, legal and environmental advocacy and/or operational groups (Kourula & Laasonen, 2010). In this research we focus on international advocacy NGOs that primarily protect the interests of others and lobby for them, acknowledging that advocacy NGOs may have a hybrid role by also providing operational services (Teegen, et al., 2004). Advocacy NGOs are among the social purpose NGOs that aim to serve particular societal interests, addressing causes such as environmental issues, human rights or other areas (Doh & Guay, 2004; Teegen, et al., 2004).

Advocacy NGOs get recognition for being important drivers of sustainable operations of businesses and governments (cf. Campbell, 2007; Vachani, Doh, & Teegen, 2009; Waddock, 2008). According to Campbell (2007), there are institutional factors that can play a role in the decision of corporations as to whether to behave in a

[3] This refers to a mission from which the core is related to social and/or environmental causes

socially responsible way. These include NGOs or independent organizations that monitor their behavior. This is in line with the dominant literature that tends to regard NGOs as a specific type of stakeholder that may have an interest in the behavior of certain other organizations (Clarkson, 1995; Freeman, 1984) that promote better practices in a variety of fields.

Research on NGOs in the fields of business and society, management and international literature mainly addresses this advocacy role, activism and influence on businesses (Kourula & Laasonen, 2010), rather than NGOs' internal operations. Yet, the increased organizational size of international NGOs together with a more competitive funding environment has meant greater scrutiny of their own performance and accountability (Anheier & Themudo, 2005). Even though NGOs themselves are increasingly being questioned about accountability (Jepson, 2005; O'Dwyer & Unerman, 2008), there has been an emphasis on upward and external accountability to donors (Ebrahim, 2005). This focus on financial accountability conceals the role of NGOs as agents of sustainable conduct in their own operations. Therefore, a more holistic accountability perspective that involves a wider range of stakeholders (Unerman & O'Dwyer, 2006b, 2010) forms the starting point of this study.

A reason for this limited attention for NGOs' holistic accountability so far, may be the fact that traditionally the advocacy role of these NGOs has provided them relative immunity from transparency (Teegen, et al., 2004). This may well be related to the fact that trust in NGOs is still relatively high. As reported by the 'special Eurobarometer' on attitudes of European citizens towards the environment, scientists and environmental protection NGOs are the most trusted sources of advice and information on environmental issues[4]. Moreover, the 'Edelman trust barometer 2012' indicates that NGOs are still the most trusted institutions compared to business, government and media[5]. The Edelman barometer data also show, however, that trust in NGOs decreases. Moreover, as actors within a larger network of relationships, NGOs may have stakeholders who call for sustainability in their internal operations as

[4] Http://ec.europa.eu/environment/pdf/ebs_365_en.pdf, accessed on 9 January 2013.
[5] Http://www.scribd.com/doc/79026497/2012-Edelman-Trust-Barometer-Executive-Summary, accessed on 9 January 2013.

well. This challenges NGOs to behave in a socially responsible way and increases the need to explicitly consider their own sustainable conduct as part of their legitimacy (Suchman, 1995).

Legitimacy and Institutional Theory

Legitimacy reflects congruence between the legitimate entity's behavior and the shared beliefs of some social groups. This is in line with institutional theory, which posits that institutions are comprised of three pillars (regulative, normative and cultural-cognitive) that provide stability and meaning to social life (Scott, 2008).

First, the regulative pillar stresses "a stable system of rules, whether formal or informal, backed by surveillance and sanctioning power that is accompanied by feelings of fear/guilt or innocence/incorruptibility" (Scott, 2008). This pillar represents legally enforced rules that influence behavior.

Secondly, the normative element of institutional theory emphasizes "the stabilizing influence of social beliefs and norms that are both internalized and imposed by others" (Scott, 2008). Normative systems include values, norms and roles, which work as constraints to social behavior, while certification and accreditation are important instruments that somehow attest the compliance with such values and norms. Since the institutional environment is comprised of normative, legal and regulatory elements, organizations must conform to them if they are to achieve the legitimacy that is necessary for survival (DiMaggio & Powell, 1983).

Finally, the cultural-cognitive conception of institutions stresses "the central role played by the socially mediated construction of a common framework of meaning" (Scott, 2008). This includes taken for granted routines, or shared conceptions and common beliefs that tend to lead to isomorphism (DiMaggio & Powell, 1983).

Institutional theory sustains that institutional rules act as myths which are incorporated by organizations who thereby gain legitimacy, resources, stability, and enhanced survival prospects (Meyer & Rowan, 1977). The influence of institutional conditions as drivers of socially responsible behavior of firms has been discussed in the literature. For instance, the influence of normative and cultural-cognitive pillars

on firms adopting sustainable initiatives (Perez-Batres, Miller, & Pisani, 2010), or the institutional and economic conditions (in terms of financial performance and competition) under which corporations behave in socially responsible ways (Campbell, 2007). According to Campbell (2007), the institutional factors that can play a role in the decision of corporations to behave or not in a socially responsible way include public and private regulation and the presence of NGOs or independent organizations that monitor their behavior. Cases where they operate in an environment that calls for such behavior are institutionalized, as well as cases where associative behavior among corporations exists that promotes socially responsible practices. To some extent, these institutional factors encompass what Waddock (2008) refers to as the 'new rules' that "reframe what companies need to do to sustain their legitimacy and be accepted social actors". The author refers to "an emerging institutional infrastructure on corporate social responsibility" originated by state/government, as well as market/economic and civil society initiatives (Waddock, 2008). NGOs gain importance as a societal factor and are part of this new institutional infrastructure influencing firms' behavior. However, they themselves are also subject to legitimacy issues. Yet, the sustainable conduct of NGOs has hardly been researched.

The relevance of institutional theory within the context of sustainable operations by NGOs lies not only in the link between the quest for legitimacy by organizations and how this can be accomplished by behaving and reporting sustainable practices, but also in the idea that NGOs are subject to idiosyncratic institutional forces. Particularly, the primary mission of these advocacy organizations related to certain sustainability issues (e.g. environment, human rights) may influence the focus of those organizations' approach towards sustainability (Simaens & Koster, 2013). NGOs' advocacy work may raise internal and external expectations about their own internal behavior and make those organizations vulnerable in case this is not aligned with what they tell others to do (e.g. for potential accusations of hypocrisy). NGOs themselves or external parties can expect them to conform to the rules they set for others. Parties that aim to obstruct NGOs' work (Unerman & O'Dwyer, 2006a) get chances to pinpoint inconsistencies if NGOs do not 'practice what they preach' and harm their legitimacy. However, simultaneously and primarily, NGOs face upward

accountability to spend their scarce time and resources to their primary advocacy work, more than to the internal organization.

When organizations have to cope with incompatible institutional demands, they face "institutional complexity" (Greenwood, et al., 2011; Kodeih & Greenwood, 2013). How organizations cope with such incompatible or conflicting institutional demands is addressed in very few empirical studies. There are calls for further examination of how organizations respond to those incompatible demands (Kodeih & Greenwood, 2013) since responses to institutional complexity may affect legitimacy and even organizational survival may be at risk (Greenwood, et al., 2011).

Not only for theoretical reasons it is of interest to understand advocates' organizational responses to institutional complexity, but also for managerial reasons, since an 'informed understanding' provides insights into behaviors and can help (advocacy) organizations to take appropriate actions (Greenwood, et al., 2011).

RESEARCH METHODS

Research Design

Our exploratory research design, encompassing multiple case studies as research method, allows novel insights (Welch, et al., 2011) and meets increasing calls for qualitative research (Bansal & Corley, 2011; Birkinshaw, Brannen, & Tung, 2011). We aim to extend theoretical insights into how advocates are driven to practice what they tell others to do, since we study in our cases sustainability advocates who drive self-regulation of sustainable behavior of others. This is an area that could be experienced as sensitive. Qualitative methods, like case studies, allow us to come close to this phenomenon (Bansal & Corley, 2011) and to uncover paradoxes (Doz, 2011).

The research consists of multiple embedded case studies (Yin, 2009), representing three large NGOs and national offices. It should be noted that although institutional theory can be applied at different levels of analysis ranging from the world-system level to the organization subsystem level (Scott, 2008), the focus of this paper is on

the organizational level. We explore two units of analysis within each case study. Firstly, we consider each of the three international NGOs as global networks of offices. Secondly, for each case study we consider the organizational level of individual offices as the unit of analysis, representing ten embedded offices in different countries. Sampling of multiple cases enables cross-case comparison and adds confidence to findings since the validity can be strengthened (Miles & Huberman, 1994).

Theoretical sampling in the selection of three cases is used to facilitate theoretical generalization; hence, the sample is purposive and based on theoretical underpinnings (Eisenhardt, 1989; Miles & Huberman, 1994). Three criteria have been used for case selection. The first criterion was the *mission type of the NGOs*. All the three cases have been selected based on their advocacy or campaigning role (Handy, 1990; Hudson, 2009). Especially for NGOs that tend to act as pressure groups in certain areas (Handy, 1990), such as environment or human rights, it becomes interesting to explore those aspects in their own internal operations and procurement practices.

The second criterion was related to *governance issues*. Selected NGOs are membership-based, have an international working area and an organizational set up with country organizations so that a similar complexity in governance, operations and reporting issues is in place. For instance, member organizations with a substantial financial contribution to the international federation hold the most power within the global network (Anheier & Themudo, 2005).

The third selection criterion considered *size and resources*. Organizations have been selected with an annual income of at least 200 million Euros globally. Firm size matters when it comes to sustainability-related behaviors (Gallo & Christensen, 2011) and the conduct of larger organizations with a substantial income might get more attention of its own stakeholders and more severe requests for accountability (Anheier & Themudo, 2005). Next to that, bigger organizations should be able to spend more on managing internal conduct and reporting.

TABLE 3.1

Summary of characteristics of the cases.

	ENV I	ENV II	SOC
Year of foundation	1971	1961	1961
Location of international office in Europe	The Netherlands	Switzerland	UK
No of offices globally	+/-60	>100	>80
Annual income 2010	€ 230 million	€ 525 million	€ 216 million
No (approx.) of staff worldwide	2000	> 5000	2000/2500

Two of the NGOs are major environmental NGOs (acronyms ENV I and ENV II), and the third one is focused on human rights and the social dimension of sustainability (acronym SOC). Although anonymity is not explicitly requested by the NGOs, we use acronyms for the organizations in order to focus on the data rather than on the organizations themselves. Table 3.1 shows main characteristics of the three organizations.

Data Collection and Analysis Methods

For this research, combined data collection methods are used in order to enable triangulation and stronger building of variables and propositions (Barratt, et al., 2011; Eisenhardt, 1989; Yin, 2009). In order to enhance reliability of the case studies, a protocol was developed before data collection took place (Barratt, et al., 2011; Eisenhardt, 1989; Yin, 2009). Each case was treated as a replication, although some additional minor improvements in the protocol were made in between replications.

For each case the main source of information were interviews that we conducted with individuals who were selected as knowledgeable representatives of their offices in the area of sustainable operations, in addition to organizational reports and information from external sources. Table 3.2 presents the data that were collected and the way in which these data have been applied in an inductive approach to analysis.

TABLE 3.2

Data collection and analysis

SOURCE	FREQUENCY	ANALYSIS
Archival data	>30 annual reports, internal guidelines, other internal publications (as available in 2011)	Screening for [1] organizational characteristics and data and [2] data on sustainable conduct. ▪ Indicative for limited interest in external reporting
Interview data	18 semi-structured interviews, typically lasting 1 hour but ranged between 0.5 and 2 hours (2011); 19 interviewees	Coding of data and clustering in themes: ▪ sustainability practices ▪ institutional influences (both drivers and barriers) ▪ organizational aspects
Secondary data analysis through newspaper articles	1145 articles with name of ENV I, ENV II or SOC in title (2005-2010)	Screened and categorized as amongst others ▪ reported in advocacy role ▪ attacked on internal sustainability issues Used as indicator for public reporting about and perception of NGOs
External sources on NGO's	various sources	Indicative for societal trust in NGOs like ▪ Yearbook of International Organizations ▪ Edelman Trust barometer

The interviews provided valuable information about each office as an embedded case. They included personal experiences, interpretations and views of interviewed individuals (see also Orr & Scott, 2008). The semi-structured interviews (see Appendix 3.1) were based on an interview protocol. For each of the three cases, interviews were held at the international (head) offices (ENV I-INT, ENV II-INT, SOC-INT), the Dutch national organizations (ENV I-NL, ENV II-NL, SOC-NL) and the organizations from the United Kingdom (ENV I-UK, ENV II-UK, SOC-UK). The Dutch and UK national organizations were among the major national fundraising organizations for each of the three cases. Based on the interviews for ENV I, we also conducted an interview with the German office (ENV I-GM) considering its potential added value for the research. Interviews took place mainly by visiting sites in the

Netherlands and the United Kingdom; this was completed with some interviews over the telephone that had to take place outside those countries.

Interviews per office included the persons responsible for (sustainable) operations and (sustainability) reporting. Functional backgrounds of these people varied per organization, including facilities and/or purchasing managers (8), financial managers (4), development or organizational directors (4), an environmental manager, a legal counsel and an accountability manager. The eighteen interviews with nineteen interviewees typically lasted one hour, but varied between thirty minutes and two hours. Table 3.3 provides detailed information on the research design of the interview process.

TABLE 3.3

Overview interviews

	NGO ***(case)***	**Office or country organization** ***(embedded case)***	**Number of interviews**	**Number of interviewees**	**Interviewees' role**
	ENV I	ENV I-INT	1	2	- Development director - Procurement manager
		ENV I-NL	2	2	- Coordinator of facilities and ICT - coordinator of finance
		ENV I-UK	3	3	- Organizational director - Office manager - Finance analyst
		ENV I-GM	1	1	- CFO
Total		*4*	*7*	*8*	
	ENV II	ENV II-INT	1	1	- Facilities Manager
		ENV II-NL	2	2	- Head of productions, procurement and facilities - CFO
		ENV II-UK	3	3	- Environmental manager - Organizational director - Head of facilities and environmental management
Total		*3*	*6*	*6*	
	SOC	SOC – INT	2	2	- Facilities management programme administrator - Legal Counsel
		SOC – NL	1	1	- Director human rights policy
		SOC - UK	2	2	- Head of facilities - Transparency and accountability manager
Total		*3*	*5*	*5*	
Total	***3 Cases***	***10 embedded cases***	***18 interviews***	***19 interviewees***	

Interviewing individuals from several functional areas provides multiple approaches to the same subject and the possibility for triangulation, or enhancing reduction of social desirability biases (Podsakoff, et al., 2003) All interviews were conducted by the first author. Mainly, interviews took place in person with open-ended questions as a starting point, not limiting the interviewee to raise new aspects that could be relevant. All interviews were recorded, transcribed with F4 software, coded and analyzed with the assistance of MAXQDA software.

Coding of transcripts was done independently by two researchers to maximize reliability (Barratt, et al., 2011; Eisenhardt, 1989; Yin, 2009). For maximum coding reliability, various measures were taken. Firstly, both coders set up the research and worked closely together from the beginning, developing a mutual understanding of its context. Secondly, the list of codes was drafted in advance and discussed in detail to facilitate and reach a shared interpretation. Especially the institutional factors needed discussion because of their often tacit character. *The institutional categories* were based on the institutional pillars as outlined by Scott (pg 51, 2008): regulative, normative, cultural cognitive and outlined for coding as follows[6]:

- Influences were coded as 'regulative' when they were explicit and connected to regulative rules and conformation to legal requirements, laws, governance systems.
- 'Normative' coded fragments refer to largely tacit social obligations which are connected to binding expectations and norms, evaluation, conforming to ideals and values, conventions, roles, taboos, practices, protocols.
- 'Cultural cognitive' refers to highly tacit constitutive schemes, beliefs, taken-for-grantedness, shared understanding and is based on cognition, conforming to models and related to mental models, identities, schemas, beliefs, scripts.

Following the interview protocol (see Appendix 3.1), the list of codes was enhanced during the analysis (Miles & Huberman, 1994). So, a combination has been used from: i) ex-ante listed codes primarily drawing on institutional theory (e.g. normative,

[6] Terminology of those categories is also largely based on Scott (2008)

cultural cognitive and regulative; drivers and barriers) and ii) codes that emerged from the raw data, for which an open possibility was built in. A third measure to maximize coding reliability relates to inter-coder differences. From the transcripts, all coding differences were traced and addressed in detail by the coders until consensus was reached. This was done [i] by adapting codes in fragments where one or both coders got a new perspective on the data, [ii] by adapting the length of coded segments or [iii] by assigning multiple codes to some fragments, whichever was most appropriate. The coding process continued until discussions about differences in coding and interpretations of data were resolved and 100% consensus was reached.

An example of a typical discussion between the coders was the situation in which NGOs internally start to apply rules that they expect others to follow. It can be argued that the norms as applied to others are formed on the basis of internal norms and convictions, and so have cultural cognitive characteristics. It can also be argued to be normative, however, since the norms are returned to the organization for internal use as norms they perceive they *need to* comply with. We discussed this carefully and chose because of its back-and-forth character with the environment for the latter: the normative pillar. Such discussions forced the coders to make further sense of the institutional pillars.

After the coding, 2624 fragments were coded and agreed by both coders. Those codes were extracted. Within-case descriptions and abstracts were made, to analyze the main characteristics and to gain insights per case. Related to the exploratory character of the research, emerging patterns were identified to provide insights into drivers and barriers for NGOs towards internal sustainable conduct. Each researcher separately combined codes and looked for patterns within and among the three NGOs. Major categories as a basis for analysis were codes related as [1] drivers to practice [2] barriers to practice [3] drivers to reporting and [4] barriers to reporting. Those four categories were split into sub-categories per institutional pillar and organizational influence. Both coders separately analyzed per sub-category the main findings. These analyses were combined and contrasted in one analysis document.

In order to challenge and re-evaluate patterns that were found in the analysis document, the code relations browser from MAXQDA was applied to the data. This browser did not compare weights of coded fragments. Yet, frequencies of code

relations indicate how often related elements are brought forward and may signal inconsistencies in analyses. Frequencies varied in a substantial way (see examples of code relations table in Appendix 3.3) and supported the researchers' conclusions that regulative drivers hardly play a role and that drivers for reporting are weaker than drivers to behave in a sustainable way. Yet no conclusions were solely based on these frequencies.

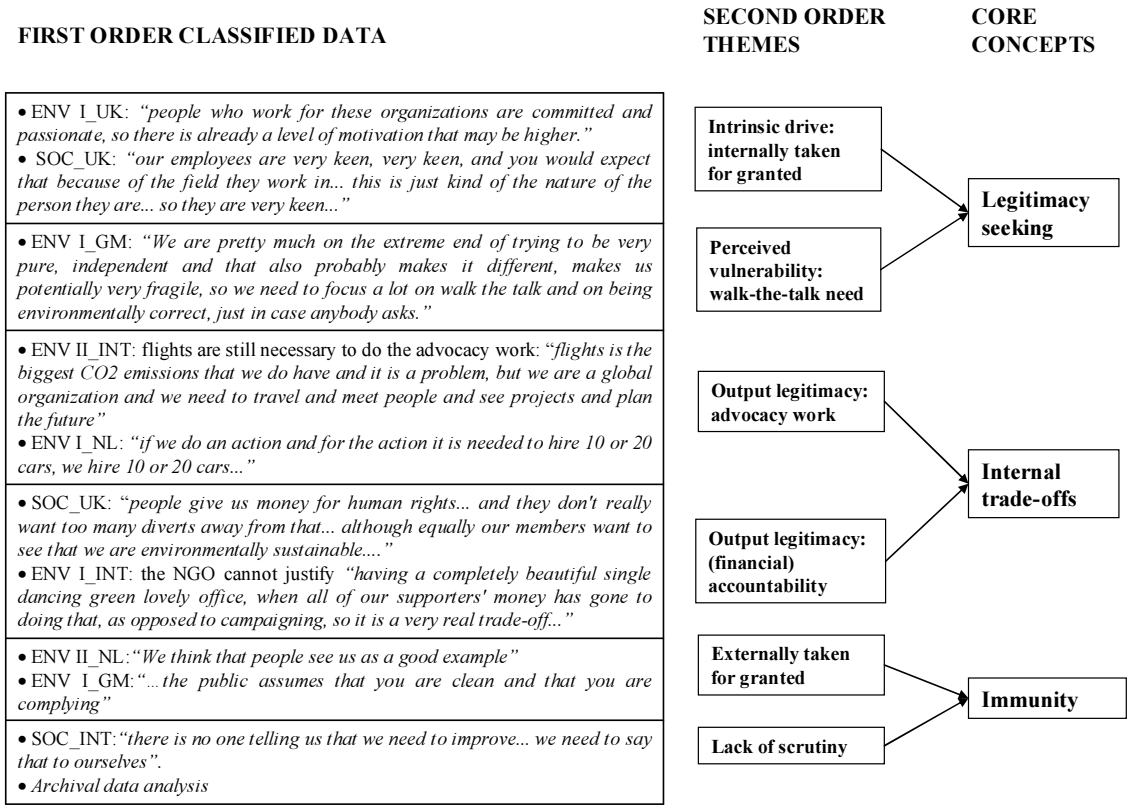
Besides the data from the organizations themselves (interviews and self-reported documents), external data sources were also used to investigate public reports about pressures from and to the organizations. Through a secondary data analysis in the Lexis Nexis database, international newspaper articles, dating from 2005 to 2010 were selected that targeted ENV I, ENV II or SOC (in the title). All 1145 articles were screened and categorized as [1] NGO is reported in an advocacy role; [2] NGO is being questioned or being attacked on its social conduct (environmental or social aspects); [3] NGO is being questioned or being attacked on other conduct; or [4] other (NGO neither as advocate, nor being attacked or questioned). These categorized data provide an indicator to the public perception of and reporting about the three selected NGOs.

Figure 3.1 shows the connection between raw data and related core concepts that resulted from the data analyses. The internal and external *legitimacy seeking* influences mainly had a driving character, whereas *internal trade-offs* compromised the principles for internal sustainable conduct. In addition, *immunity* indicated that NGOs in general had hardly any scrutiny of their sustainable conduct.

The organizational facts in the papers were validated with the NGOs. No amendments or corrections were proposed by the contact persons in the different offices.

FIGURE 3.1

Connection between raw data and core concepts



RESULTS

Results are split in two parts. The first part provides an overview of findings on governance and sustainability approaches within the case studies. Per organization, an outline is given of the global network organization and main lines of the sustainable conduct of individual offices that were part of our study. These descriptive outlines are the foundation for the second part, in which we develop an exploratory cross-case analysis focused on institutional drivers and trade-offs detected in the case studies.

Case Descriptions: Governance and Sustainable Conduct

ENV I: ENV I is a federated organization with a relatively centralized character. The international office owns a license for the name, implying that national offices need to pay a percentage of their income to use the name. In this way a relatively high part of the global budget is controlled centrally and redistributed. Large campaigns are planned globally, but national offices do have their own independent structure and boards. Global position statements, particularly in relation to campaigns and communication, bind the organization.

Daily operational processes, however, like HR, procurement or facilities are hardly coordinated, but rather handled by each national office independently. Yet, finance and IT systems are coordinated in order to ensure control of financial resources. In some specific cases, operational policies are set for the whole organization like the use of 100% renewable energy or track of CO2 emissions, driven by their own international campaigns where ENV I advocates in these specific areas. The way to realize CO2 accounting or to buy renewable energy, however, is up to every national office. In terms of international sustainability reporting, ENV I started to include an environmental section in its annual report in 2009, indicating the CO2 emissions for the global organization. ENV I has four national organizations contributing to the INGO Accountability Charter, next to the international office, which in 2010 reported partially for its own office and partially covered international data.

ENV II: ENV II is a foundation, also characterized as a franchise organization, led by a board of trustees under an international president. The international secretariat for ENV II coordinates its network of offices around the world in over forty countries by, among others, activities fostering international relations, monitoring international campaigns and providing support to global operations. The network of ENV II offices consists of two types of organizations. First there are the relatively independent twenty eight national organizations that are able to raise funds and work autonomously. Second there are around thirty program offices working under the direction of one of the international ENV II offices[7]. All offices work on nature

[7] Two thirds of ENV II's program offices around the world work under the direction of the international office in Switzerland. The other program offices, based in Latin America, belong to the international office in the USA.

conservation in two main areas: protection of biodiversity and moving toward green economies in order to stop and reverse the deterioration of nature.

Internal operations, including sustainability policies and reporting, are managed mainly locally. Local attempts to cluster specific procurement volumes of different national organizations, have turned out to be hard to realize. Only for reduction and measurement of Carbon emissions, a shared approach has been launched. ENV II is not a member of the INGO accountability charter and sustainability reporting is only realized on a local basis.

SOC: SOC is a federation of national branches, affiliated groups and international networks and members. For SOC, the only real platform for international decision making is the International Council Meeting (ICM), where all of the representatives of the membership groups come together once every two years to evaluate and decide on SOC's strategy and policies. The ICM elects the international executive committee (IEC) to support the whole SOC organization worldwide. In addition to the sections there is an international Secretariat for operational affairs, which is led by the secretary general and monitored by the IEC. The International Secretariat is the highest coordinative body of SOC. It coordinates the work of all national branches and its satellite offices across the globe which is directly under the supervision of the Secretary General.

In terms of internal operations, apart from their advocacy work, SOC's organizational units work independently, without any central directives, policies or procedures. On an occasional basis, some sharing of experiences takes place, but even when organizational entities are located at a very short distance, each organization develops its own procedures and policies independently. This results in quite different approaches towards internal sustainability policies and processes. All three SOC offices, involved in this research, benchmark or share information with offices from other NGOs in their vicinity. Also in terms of reporting, all countries have their own sustainability reporting. SOC is member of the INGO Accountability Charter initiative and organizational entities are requested to contribute data for the reporting.

TABLE 3.4

Main characteristics per organizational unit

Office	*No of staff*	*Income 2010 (million €)*	***Outlines of sustainability approach and practices***
ENV I_INT	160/ 175	61	Located in the Netherlands; coordinates its international policy and strategy. Both staff and management support sustainable conduct within the office. Sustainability criteria are an integral part of detailed procurement procedures. Several measures have been taken for making a green office, ranging from strict travel and parking policies to energy reduction and sustainable IT equipment. Next to buying office materials, ENV I-INT is involved in buying ships for campaigning. In terms of sustainability reporting, ENV I-INT coordinates the international annual report, including its section on CO2 emissions, as well as part of the reporting to the INGO Accountability Charter.
ENV I_UK	110	12	Has explicitly incorporated sustainability in its operations for years. CO2 reduction is an important area for attention. A detailed CO2 accounting system has been developed internally in order to measure impact and also to introduce CO2 budgets, next to financial budgets. An environmental purchasing policy is in place (replaces ENV I-UK's sustainability policy that was spread over six different documents). An environmental report was published in 2009, 2010.
ENV I_NL	100	25	Has been working on environmental operations. Policy includes for instance not to use PVC in buildings, to use environmentally conscious building wood (FSC wood) and to buy food from sustainable vendors. An environmental policy for internal use was written around 2005. Update started in 2009 to formalize and to extend its sustainability policy based on ISO 26000. Next to the environmental policy, the purchase conditions and the internal procurement policy support sustainable conduct as well. There is a sustainability section in the 2010 annual report. Reporting directly to the INGO Accountability Charter.
ENV I_GM	200	48	Developed (recently) a code of conduct and guidelines with e.g. sustainability policies for travel and procurement. Sustainability was already integrated in daily practice before, and since most procurement activities are realized by a limited number of dedicated staff, central guidelines were not considered to be urgently needed. There is no sustainability report or section yet, other than what is covered by ENV I-INT in the INGO Accountability Charter, which comprises its CO2 emissions. Reporting is no priority and was awaiting decisions around centralizing reporting to INGO Accountability Charter.
ENV II_INT	155 / 160	131	Located in Switzerland, it coordinates network of offices around the world. At its own premises, building and operations have been greened (transfer from oil burners to geothermal and solar energy). In addition they joined an initiative of their Finnish organization to green their office. In this program, energy, travel & transportation, procurement, food, waste & recycling, water, biodiversity, energy, environmental awareness are being monitored. No external sustainability report published.

ENV II_UK	305	66	Has been managing sustainability for its internal operations explicitly for two decades. They have an environmental team, a dedicated environmental manager, an environmental policy and environmental management system (ISO 14001) and an environmental steering group in place. At the time of the interview, the organization was still housed in a rented building, which reduced the possibilities for sustainable operations. Developments to build and move to and own a sustainable building within two years were in place. Environmental reports have been published for over a decade.
ENV II_NL	125	64	One of the biggest national organizations within ENV II that is able to raise funds and work quite independently. Office building is relatively young and serves as a sustainability flagship for the organization. A sustainability policy was developed in 2008, which could set an example for external organizations as well. Projects are set up annually based on this sustainability policy, in the fields of e.g. fund raising, nature conservation, procurement, Human Resources or finance. The section on sustainability in the Dutch annual report is also based on the structure of this policy and reports about those projects.
SOC_INT	530	54	Does both operational and policy and research work. London based with about ten small satellite offices around the world (some with just 2 or 3 staff). A procurement policy is developed for own office to formalize procurement processes with a short and generic section on ethical procurement and a "supplier code of conduct". No central sustainability policy or management drive for sustainable conduct found. Procurement and facilities management staff integrated sustainability aspects in their own work. In terms of sustainability reporting: there is the contribution to the INGO Accountability Charter.
SOC_UK	170 / 185	27	Has an office in London and 3 small satellite offices in the UK. In the London office there is a drive both from management and from staff and donors to work in a sustainable way. Management aims to be an exemplar office amongst other London NGO offices. The environmental policy statement indicates selected areas for attention (including travel policy, etc.) and a procurement policy which includes a section on sustainable procurement. The UK section published an annual report in 2010, including a sustainability section following GRI guidelines and it contributes data to the International Secretariat for the INGO Accountability Charter.
SOC_NL	139	26	A working group developed a sustainability policy for 2009-2010, as a first phase to update sustainability practices (policy evaluation and revision in 2011). Work around sustainability internally driven by both management and staff by "practice what you preach" awareness. In their annual report and on the internet, sustainability reporting included in annual report. It contributes to the INGO Accountability Charter.

Table 3.4 provides an overview per office of some main characteristics of the individual offices that were part of our study.

Internal sustainable conduct varies considerably across the ten organizational units included in our research. Remarkable differences are found internally among the sustainability approaches of different offices, even among offices of the same NGO. Each office operates quite independently, generally without central guidelines or imperatives. One organization has used sustainability standards as a norm for operations over the years, one of them did not have a policy at all, however, most of the organizations have some sort of environmental policy.

The focus in this research is on analyzing what drives NGOs to adopt sustainable practices in their own organization, and what withholds them using an institutional perspective. Table 3.5 indicates per office the presence of a sustainability policy and an analysis of the character and perceived strength of the drivers that were encountered[8].

TABLE 3.5

Drivers to sustainable conduct per organizational unit (indicative)

Office or country organization	CC	NORM	REG	Sustainability policy*	REMARKS
ENV I-INT	●●●	●●●	●	Yes	only real regulative example
ENV I-NL	●●●	●●●	○	Yes	program, planning ISO26000
ENV I-UK	●●●	●●	○	Yes	programs & CO2 accounting
ENV I-GM	●●	●●◖	○	Yes	decentral
ENV II-INT	●●	●◖	○	Yes	central
ENV II-NL	●●	●●◖	○	Yes	partially central
ENV II-UK	●●◖	●●●	○	Yes	central program, ISO 14000 etc
SOC – INT	●	●	○	No	no programs
SOC – NL	●●●	●●	○	Yes	program incl follow up
SOC - UK	●●◖	●●◖	○	Yes	program, plan

○ = non-existent / not reported, ● = weak drive, ●●= medium drive, ●●● = major drive
** A sustainability policy is in place when the organization has written guidelines or a policy that explicitly covers sustainability aspects at least.*

[8] *Strength of drivers was based on analysis (of coded data) per interview, cross checked with frequencies from the MAXQDA code matrix browser per organization (see Appendix 3.3).*

As an example of how practices were categorized, we shortly illustrate the motivation of ENV I_UK. We categorized institutional influences as (i) a major cultural cognitive and (ii) medium normative drive. No regulative drivers were encountered concerning ENV I_UK's sustainability.

In relation to the *cultural cognitive drive*, ENV I_UK reflected

- Both management and staff involvement;
- A strong intrinsic motivation and taken-for-granted position: our interviewees indicated and also illustrated that their people are "committed and passionate" about it. Within the organization, an internal system was being developed spontaneously for monitoring sustainability of 'business trips'.

The *normative drive* was encountered as well, although less prominently. It was for instance reflected by:

- The fact that funders' expectations on how to spend money were acknowledged and taken into account.
- The organization also publicly made available a small review of their internal sustainable conduct.
- Also, the struggle was illustrated around what norms apply to judge what products could be considered 'sustainable' (like the Carbon Trust which rates 'kettles').

Our analysis of the frequencies of coded segments of the interviews for ENV I_UK supported this categorization.

Institutional Influences across Cases

Organizational practices differed throughout countries and NGOs. Cross-case analyses however revealed commonalities in the underlying complexity of combined influences that NGOs experienced.

Figure 3.1 outlines three core concepts emerging from the raw data, first a legitimacy seeking stance, second, trade-offs faced by NGOs, and third, the organizations' immunity. Those concepts are further explained in this cross-case section. As described below, both cultural cognitive and normative drivers were encountered, indicating both a taken-for-granted attitude and consciousness of others'

expectations. However, trade-offs between advocacy work, and work on internal sustainable conduct were found as well.

Legitimacy seeking (i); Cultural cognitive drivers: The cultural cognitive pillar is a determining factor and driver for the NGOs' internal sustainability of operations throughout the visited sites. The sense of 'taken-for-granted' that "of course we strive to work in a sustainable way" was commonly mentioned in the interviews as an important driver for management and employees to behave in a sustainable way. The cultural cognitive drivers include the shared motivation of the organization's employees to behave in a sustainable way as "the way we do these things", which is demonstrated in the example of ENV II-UK:

> *"some mornings…our boilers are so inefficient… you know... the temperature is about 16 degrees... and we have to wait for it to gradually warm up... Even though boilers come on you know mid-night to start... and yet we hardly have any complaints because people know that the alternative is to buy new boilers or to have the boilers on 24 hours a day and they know that's not sustainable."*

A personal will and intrinsic drive is indicated to play a role in decisions concerning sustainability. For example, ENV I-UK indicated that *"people who work for these organizations are committed and passionate, so there is already a level of motivation that may be higher."* SOC-UK indicated that *"our employees are very keen, very keen, and you would expect that because of the field they work in... this is just kind of the nature of the person they are... so they are very keen..."*. Another example is provided by ENV I-INT who said that *"they are quite aggressive here also internally because we... I must admit, once we made a mistake on wood... we were making a new meeting room..." (...) "and [one of the campaigners] was very emotional about it"*.

The 'taken-for-granted' approach appeared to be somehow skewed toward the organizational mission. Although all organizations acknowledged social and environmental aspects as part of sustainability, there was evidence that sustainability aspects closely related to their organizational mission were prioritized. In five

organizations, an explicit awareness of this focus was mentioned. For instance, ENV I as an environmental organization tended to look more for environmental issues: *"and those are natural issues... the other aspects of sustainability which are more connected to human rights are not so natural for us... so that's a process we've started now, some two years ago to formalize... try to formalize"* (ENV I-NL). As the interviewee went on, *"I've been talking to my colleague in SOC-NL… and their focus is of course more on Human Rights... and our focus is more on the environmental issues… so we both have to extend our view".* And for instance SOC-INT indicates human rights and social aspects as a priority. They indicate about environmental NGOs that: "*for them, you know sustainability and the environment is very important… I think for others it's less important".* And in SOC-UK: *"...purchasing decisions are skewed. We do skew heavily on the labor standards… other organizations might skew towards environmental standards, depending on where they are."*

In addition, the way in which practices started to develop was mentioned in some cases, pointing to a natural development where sustainable practices spontaneously evolved and were naturally supported by management. These processes confirm the taken-for-granted feeling. ENV I-NL: *"it was not really defined as a policy... it was a way of working, which was really into the minds and hearts of everybody."* And similarly in ENV I-UK: *"So that has just evolved naturally, it is kind of assumed, without just having a special dictum we have a vegan and vegetarian policy in terms of the food we would provide onsite".* In ENV II-UK management support for sustainability was indicated to be something natural, so that investments were relatively quickly supported, without real hurdles: *"If we've got ideas, we want to do ISO, we've wanted to do the BS EN 16001, and there has been support for it."*

Almost all organizations gave evidence that they looked at other NGOs' internal conduct to learn from it or to benchmark their own behavior. Seven organizations evidenced an even more active exchange of practices with local peers or other NGOs. As noted by SOC-UK *"my peers... all the facilities managers who are running buildings, we are quite often going into each others buildings just to have a look at what they are doing (...) and we want to show off our building too".* SOC-UK also highlights that *"... it's interesting and it's good to be able to share… share knowledge,*

but there is quite a lot of pride in that as well...". Next to pride, the aspect of learning from peers plays a role as ENV I-UK indicates: "*Amnesty, or Friends of the Earth, or one of those organizations... wherever similar size, similar nature... so the functions in the way staff operate may be similar in their approach and the actual physicality of the buildings...".* SOC-NL points at this exchange aspect in a practical example: "*where we buy the meat for the canteen, that's the big issue now... that we have really biological meat... we are now... there is an exchange with Friends of the Earth..."* and also in a more formalized way through (SOC-NL): *"these platforms of charities in the Netherlands that exchange (...) where you can also... find out how other organizations are doing things and exchange.... and I know that their expertise was used in preparing the policy.."*

Contacts with local peers to exchange sustainability practices in general outweighed contacts and benchmarks with other offices within their own NGO. An exception is mentioned by ENV II-Int about their internal networking: *"Then we found out that ENV II Finland created a system called Green-Office. And it is a product that they have established themselves and that they are selling to their corporate customers.... "We decided to become part of this Green-Office."*

Finally, the organizations have in common the fact that no cultural cognitive drivers are mentioned in the interviews as drivers for reporting, whereas such drivers are generally in place for sustainable behavior in varying strengths across the organizational units. However, when it comes to reporting on sustainability, cultural cognitive elements do not seem to play a role. None of the units gave evidence that sustainability reporting is something taken-for-granted, that naturally needs to happen.

Legitimacy seeking (ii); Normative drivers: Next to cultural cognitive elements, normative drivers play an important role for the different offices analyzed. First of all there are expectations and values, set by others for the organization, which are a sort of social obligations. In two cases, organizations pro-actively ask stakeholders for their opinion and members' expectations are mentioned frequently, for example by SOC-UK:

"*people give us money for human rights... and they don't really want too many diverts away from that... although equally our members want to see that we are environmentally sustainable and although we are not actively damaging the environment I think they would be upset if they heard that we are doing stuff that was damaging to the environment....*"

The NGO's own mission plays a key role in relation to external stakeholders' expectations about its sustainable conduct. The organization's mission for the outside world would be reflected implicitly by others to the organization's internal behavior. This would reveal its mission as an expectation towards the NGO itself. All organizations without exception mention this need to practice what they tell others to do, since not doing so is related to potential reputational damage, like ENV I_Germ states:

"ENV I is the leading environmental organization, so the pressure so to speak on walk the talk might be higher than on the Doctors without Frontiers… We are pretty much on the extreme end of trying to be very pure, independent and that also probably makes it different, makes us potentially very fragile, so we need to focus a lot on walk the talk and on being environmentally correct, just in case anybody asks. We cannot afford anything like that to happen to make the headlines of the news. So that makes us probably different from other NGOs."

In the need to 'walk the talk', some advocacy campaigns even cause an internal 'wake up call' that might have been overlooked otherwise. Some campaigns make the NGO critically look at its own operations. In this way it is sometimes the campaigns themselves that instigate internal changes without any explicit external request. For instance, ENV I-Germ used a campaign against a company using a coal power plant as a trigger for their own conduct, even though the power consumption of an NGO office is absolutely marginal compared to that company.

Finally, there are sustainability standards that the offices select to comply with. Those standards set criteria, and consequently drive internal conduct. Some organizations choose standards (norms) themselves to comply with as a guideline,

while some develop their own way of working. Three types of external standards are found: [1] at a product level in all organizations, standards and labels are found for use of e.g. FSC certified paper, MSC fish, Fair Trade products; [2] at an organizational level in only one case, international certifiable management standards like ISO 14001 (environmental management) are found; whereas one other organization (ENV I-NL) started to use ISO 26000 which are guidelines for social responsibility; and [3] reporting standards on either the international or national level.

Drivers to sustainability reporting are in place to a lesser extent than drivers to sustainable practices themselves. The normative drive for reporting comes from both standards like ISO 14000 and ISO 26000, which require reporting. It also comes from reporting standards for which the organization has signed up, like the INGO Accountability Charter. Moreover, the 'walk the talk' pressure is being mentioned, since NGOs ask businesses to be transparent about their operations. For the INGO Accountability Charter, social expectations and upwards accountability have driven the reporting process in terms of the image they project to the world (ENV I-GMN and ENV I-NL), but also in the way of setting an example (ENV I-UK). The charter was developed by its founding member NGOs as a response to increasing external pressure for greater transparency. As ENV I-INT refers:

> *"(...) it grew out of a recognition that there was increasing scrutiny on international NGOs to live up to what they were demanding of others... ah… in a very general sense in terms of... good management and finances… I think the environmental expectations of the charter are relatively understated... but it certainly provides a framework in which we can improve those as well …." (...) "Something like the Accountability Charter, you know, it's one of the tools that you can use to maintain the trust..."*

Legitimacy seeking (iii); Regulative drivers: Finally, our research findings indicate that the regulative pillar has a residual influence. Examples of this type of influence were rarely found in the interviews. In general, regulations do not seem to play a significant role in any of the organizational units.

Only one special case was reported where regulative influence plays a role: ENV I "over complies" to regulations for vessels that they use for campaigns because of its strategic importance to its advocacy work. An important part of their work takes place by means of those vessels. ENV I does not want to be stopped by authorities which try to find legal grounds to hinder the NGO. This drives ENV I to pay full attention to the specifications of its vessels and to "over comply" to regulations. Apart from this "regulative" exception, in general NGOs purchase rather "routine products" which do not have a similar strong relation to its advocacy function and which are not subject to regulative pressures and rules.

Internal trade-offs: When it comes to institutional influences that withhold NGOs from sustainable behavior, all interviewed organizations mention compromises or trade-offs because of competing causes like the NGOs' main advocacy work. The NGOs have limited resources in terms of time and money. So, rather than encountering resistance against sustainable conduct, it is the setting of priorities that in some cases slows down efforts to enhance sustainability in internal operations.

The cultural cognitive influences, for example, were an important driver to sustainable practices in general. Although interviewees indicated that employees in their organization are disciplined and motivated to behave in a sustainable way, some exceptions were mentioned where it was challenging for the organizations to motivate staff. The cultural cognitive drive varies per organization and has its limitations. The exceptions in general were cases where convenience, efficiency or existing ways of working on advocacy work would be compromised if more sustainable practices had to be adopted. ENV I-INT indicated for instance the convenience of air travel: *"that's a struggle for us… to get people out of the planes".* Or, as ENV II-INT indicates, flights are still necessary to do their advocacy work: "*flights is the biggest CO2 emissions that we do have and it is a problem, but we are a global organization and we need to travel and meet people and see projects and plan the future".* And ENV I-NL indicates that for advocacy actions, priority is given to what is needed rather than to what is most sustainable: *"if we do an action and for the action it is needed to hire 10 or 20 cars, we hire 10 or 20 cars...".* Another example by ENV II-NL reveals a lack of awareness in parts of the organization: *"but somebody else on marketing, on*

communications... yeah... they weren't that eager on sustainability, for instance... because they just don't think about it...". ENV I-GM is the only organization that indicates explicitly a need for guidelines, since employees do not always work automatically in a sustainable way: *"...we need to have guidelines and restrictions and have to think about… like... how do we actually make this work that all of our people working for us actually are complying with what we want to be."*

Some limitations to sustainable conduct within an organization result from scarcity of resources and (financial) accountability for expenses. Trade-offs need to be made as mentioned by SOC-UK: *"obviously we can spend our resources on a Middle East campaign for human rights or measuring carbon emissions from our business travel and you know... that's a real... that's a real choice..."*

Sustainability reporting in itself is not a top priority for any of the organizations with a strong internal drive. ENV I-GM indicates that it would spend its limited resources rather on sustainable conduct itself than on reporting: *"if you ask me what the proportion is, I think ... it's rather almost 2/3, 65 % more important to get your house clean internally rather than report about it externally or on the website or something like that..."*

In many reported trade-offs, supporters' expectations are mentioned. ENV I-UK reports such a trade-off on sustainable products: *"...our supporters want us to use the best products but they also don't want us to spend too much money on them, so... it's fine, but to get in that balance it's still... I think, quite challenging...".* In a similar vein, ENV I-INT indicates that they cannot justify *"having a completely beautiful single dancing green lovely office, when all of our supporters' money has gone to doing that, as opposed to campaigning, so it is a very real trade-off..."*

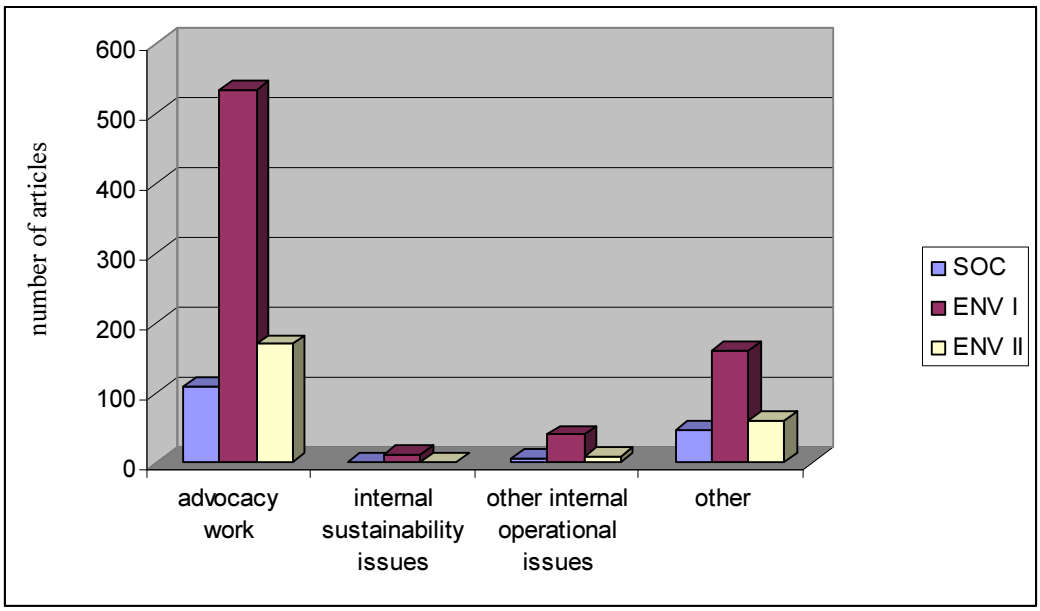
Immunity: Norms and expectations of external stakeholders also have a distinct influence on the trade-off between work on internal sustainability and advocacy work. Being organizations with sustainability related missions and working on the "good cause", NGOs seem to have natural legitimacy. Stakeholders consider it logical that NGOs behave in a sustainable way and so they do not scrutinize them on those aspects. As stated by ENV II-NL: "*We think that people see us as a good example*" and SOC INT: *"there is no one telling us that we need to improve... we need to say*

that to ourselves". The quite explicit example in this respect, quoted in the first lines of this chapter, comes from ENV I-GM, which wanted to be certified with ISO 14000, but was advised to spend their money otherwise because they were trusted already.

It is important to note that indeed none of the NGOs proved to be seriously questioned by external stakeholders about their sustainable conduct, and this may reduce the need to emphasize internal sustainability. This lack of scrutiny is confirmed by the findings from the secondary data search. Indeed, out of the 1145 articles published between 2005 and 2010 (see Figure 3.2), only about 60 referred to some sort of criticism on the NGOs, and they hardly specifically referred to the NGOs' own sustainable conduct. Rather, they referred mostly to criticism to the way these organizations develop their mission, such as their organizational approach to the issues addressed and their disregard to law when campaigning (mostly ENV I), disregard of national legal and social context (mostly SOC) or issuing of misleading information (all three NGOs).

FIGURE 3.2

Newspaper articles (2005-2010) on ENV I, ENV II & SOC



Specifically related to sustainability there are a few examples such as the ones in 2005 featuring ENV I, including a ship that hit a coral reef in the Philippines; and a polemic prize created by the USA office for those recruiting new members or campaigning against nuclear power, consisting of trips to 'paradise' destinations, which seemed counterproductive with environmental sustainability objectives. This was criticized by the UK office and international head office reinforcing the different approaches of the offices around the world. Also, in three articles some reference was made to the potential indirect social impacts to the local communities caused by the NGOs' campaigns, such as loss of jobs.

PROPOSITIONS AND CONCEPTUAL MODEL

Advocacy NGOs are important players which drive other organizations to behave in a socially responsible way. This research aims to understand what drives or withholds NGOs to operate in a sustainable way internally and how institutional theory could explain these drivers or barriers.

In a different setting, a positive relationship has been found between sustainability aspects mentioned in firms' mission statements and internal practices, such as work-life initiatives (Blair-Loy, Wharton, & Goodstein, 2011) or stakeholder management (Bartkus & Glassman, 2008). For advocacy NGOs, however, it can be argued that this relationship between its advocacy mission and its internal conduct might be even stronger. They have sustainability at the core of their mission in order to change their environment, rather than as an additional statement focused only on a part of their internal practice outside their core business. For those NGOs, a positive relationship between their mission and their primary work is expected. Our findings disentangle this relation by studying what drives or slows down sustainable conduct of NGOs acting as sustainability advocates.

We find a broad variety of practices among NGOs. Moreover, also between (national) offices belonging to the same international NGO, substantial differences

can be found. Hence, although some network influences are found, offices are mainly acting independently in the area of internal sustainable conduct.

All NGOs and their various offices, however, perceive that their sustainability related work and mission increases expectations from others. So, there are specific norms to comply with because of their sustainability related mission. As it was often mentioned, they need to 'walk the talk'. From this perspective, it is noteworthy that the organizations indicated that they had not really been questioned or challenged on internal sustainable behavior on a large scale. This was confirmed by our document analysis of international newspapers.

A potential reason for this lack of scrutiny is that it might be assumed that those NGOs act in a sustainable way themselves anyway. For the reason of not being challenged explicitly and the lack of active scrutiny, this points to a sense of exposure to *potential* scrutiny which we introduce as "perceived vulnerability" of the organization's legitimacy. From an institutional perspective, this perceived vulnerability tends to be a normative influence (Scott, 2008) since their own advocacy work and norms which they apply to others are now perceived as norms that others might apply to the advocacy NGO itself[9]. This perception drives sustainability higher up the agenda of NGOs. Hence, in this way the norms NGOs apply to others seem to have a boomerang function. A clear representation of this boomerang effect comes from campaign work, which in some cases directly urges the NGO to look at their own conduct. In the case of ENV I, it attacked a global internet service provider concerning the provider's energy sources, and this created an internal mandate for renewable energy sources. The organization first created and then reacted to its own wake-up call. So, advocacy work and a sustainability related mission influence the NGOs' approaches to internal conduct for the sake of legitimacy.

Next to those returned normative influences whereby NGOs feel they need to practice what they tell others to do, an internal taken-for-granted motivation was also found in the majority of cases, driving sustainable behavior because of its legitimacy. The wish to behave -in line with the mission- in a sustainable way, was indicated to

[9] It could be argued that the norms as applied to others are formed on the basis of internal norms and convictions, and so have cultural cognitive characteristics. We classify it here as normative since the norms are returned to the organization for internal use as norms they perceive they *need* to comply with.

be something natural for most organizations, albeit often biased toward the own mission area (e.g. missions for environment or social conditions or human rights). Yet, there was broad recognition that sustainability outside the mission area is important as well. Those "natural drivers" have cultural cognitive characteristics (Scott, 2008) that drive the NGO's sustainable conduct, encompassing moral motives for sustainable behavior (Aguilera, Rupp, Williams, & Ganapathi, 2007).

Research has pointed at the influence of both managers and staff as driving forces of sustainability within the organization. The significance of managers' roles has been broadly acknowledged in literature (Mayer, Aquino, Greenbaum, & Kuenzi, 2012; Swanson, 2008). Staff that value sustainable behavior and are intrinsically motivated to work toward sustainability, potentially "self-select". Self-selection refers to an individual's selection decision to apply for or accept a job (Ryan, Sacco, McFarland, & Kriska, 2000) and is related to image (Ryan, et al., 2000), including an employer's social image (Backhaus, Stone, & Heiner, 2002). Companies which clearly show social and sustainable behavior attract employees more easily. Especially in the case of NGOs, employees will be attracted on the basis of the organization's mission and identity. In addition, Ramus and Steger (2000) found that employees who experienced environmental commitment and support from their organization were more inclined to undertake environmental initiatives. Previous research (Backhaus, et al., 2002; Ramus & Steger, 2000; Ryan, et al., 2000) focused on firms or governmental bodies and not on advocacy NGOs, which have even stronger environmental and social commitments. Self-selection effects can be expected to enhance the internal taken-for-grantedness in advocacy NGOs.

In short, based on our findings, it is argued that the sustainability related mission and advocacy work sharpens notions of 'perceived vulnerability' next to internal 'taken-for-grantedness'. Taking those two concepts together as 'legitimacy seeking behavior', we find for advocacy NGOs in the area of sustainability that this legitimacy seeking approach in turn relates directly to the organization's intentions to behave in a sustainable way. So, we propose for those organizations:

Proposition 1:

a) *An organization's sustainability related mission focused on behavior of external actors enhances legitimacy seeking to conform to the mission internally as well.*
b) *Legitimacy seeking to conform to the organization's mission internally increases the intention to behave in a sustainable way.*

The NGO's mission and sustainability related work brings internal stimulus for sustainable conduct, as outlined in propositions 1a and 1b. Increased intentions to behave in a sustainable way should lead to increased sustainable conduct. However, we also encountered several trade-offs since NGOs' scarce internal resources also need to be focused on advocacy work.

Two findings should be taken into account for this trade-off and could contribute to a gap between intention and behavior. As Ossewaarde, et al. (2008) refer to as 'output legitimacy', NGOs need to be able to show the realization of their missions towards stakeholders. First of all, spending time and money on advocacy work might often realize more influential changes than spending those resources on managing internal sustainability. As relatively small organizations, NGOs' internal operations have only a modest sustainability impact (Unerman & O'Dwyer, 2006b), whereas their core advocacy business is often mentioned as a core influential driver for others (e.g. Domeisen & Hulm, 2006; Haack, et al., 2012; Kong, et al., 2002; Stonich & Bailey, 2000; Valente, 2012; Van Cranenburgh, et al., 2013). This implies that spending time on internal operations would be less efficient in terms of sustainability than spending time on advocacy work, and might therefore be more difficult to justify to stakeholders like sponsors (Ossewaarde, et al., 2008). A second factor for NGOs output legitimacy is their financial accountability (Jepson, 2005; Steffek & Hahn, 2010). NGOs need to be transparent about the way donations are spent. Internal conduct will not be classified as advocacy work and hence should take limited resources.

The output legitimacy (effectuation of their advocacy mission and financial accountability) enhances trade-offs between advocacy work and internal sustainable conduct and so we propose:

Proposition 2:

a) *The intention to behave in a sustainable way is positively related to sustainable conduct.*
b) *Internal trade-offs moderate the relationship between the intention to behave in a sustainable way and the behavior itself.*

Another finding that could contribute to an intention-behavior gap is the NGOs' mission related legitimacy which reduces external scrutiny and direct pressures on internal sustainable conduct, as both the interviews and document analysis indicated. By being not-for-profit oriented, with socially and/or environmentally oriented missions, legitimacy might automatically be perceived to be guaranteed for NGOs excusing them from sustainable practices. It is externally taken-for-granted that those NGOs behave in a sustainable way. This legitimacy related to sustainability also reduces the organization's need to report about internal sustainability, so that resources can be used for other purposes (Jepson, 2005).

Legitimacy is in general a potential important driving force and guidance for business conduct in organizations (Fernandez, 2008; Singh, Tucker, & House, 1986). In this specific case, however, legitimacy also reduces the need to pay attention to internal sustainable conduct in favor of direct advocacy work. Immunity, which is based on this external taken-for-grantedness (legitimacy) and a lack of scrutiny (as amongst others appeared from our secondary data search), influences the trade-offs that need to be made due to limited resources. For the specific case of sustainability reporting, which can be considered to be a specific form of sustainable conduct, we found even stronger reasons for the trade-off towards advocacy work, since cultural cognitive drivers to report on sustainability are lacking.

So, in contrast with the first and second proposition, this points toward a negative influence of the NGOs' sustainability related mission on its internal sustainable conduct through immunity.

We therefore advance the following proposition:

Proposition 3:

a) A sustainability related mission brings immunity to an organization.

b) The organizational immunity decreases the priority of internal sustainable conduct, moderating the relationship between the intention to behave in a sustainable way and the behavior itself.

Hence, paradoxically enough, the mission seems to have two opposing effects. On the one hand NGOs perceive that it is expected by others implicitly and that it brings a real (reputational) risk not to behave in a sustainable way, in line with their mission. They need to practice what they tell others to do. The first two propositions bring forward institutional forces that place internal sustainable conduct higher on the agenda of the NGOs. On the other hand, that same mission brings legitimacy, which actually prevents NGOs from being scrutinized (proposition 3). So, it is mainly the NGOs themselves who feel the need to comply to expectations, rather than stakeholders asking them explicitly to do so. This first effect of 'walk the talk' stimulates awareness to pay attention to the sustainability of internal conduct, whereas the second effect of 'legitimacy' may influence the trade-off between the direct advocacy work and the internal operations in favor of advocacy work.

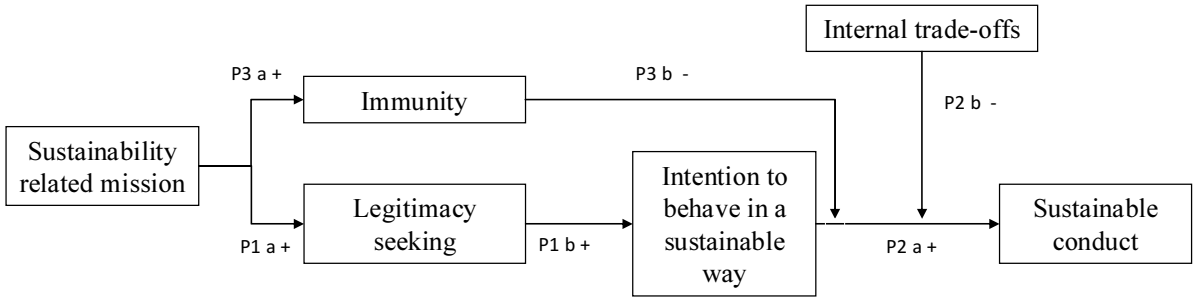
In order to address this paradoxical influence of an NGO's mission, we went back to the data and contrasted the 'we-need-to-walk-the-talk' effects in fragments coded as drivers with the 'legitimacy' effects in fragments coded as (normative) barriers to practice, where the NGO's mission enhanced legitimacy and so immunity. First, we found the strongest explicit evidence for the first effect. Although not (yet) scrutinized, the NGOs want to have 'their house in order'. The driving effect of 'walk the talk' seems to prevail over the lack of external scrutinizing. Second, although less explicit, it is noteworthy indeed that by lack of real scrutiny or steering by stakeholders, their approach is not directed by external forces, but internally shaped, resulting in a high diversity of practices (in terms of focus and intensity) among NGO offices. This observation is in line with the absence of a strong drive for, e.g., reporting to the external world. The observation is also in line with the fact that on the

one hand, ENV I, which has the most pronounced advocacy character, seemed to have been confronted with the most external criticism. On the other hand, ENV I also showed (although still limited) the highest degree of organized conduct.

Figure 3.3 illustrates the propositions, based on the discussion.

FIGURE 3.3

Institutional impact on NGOs' sustainable conduct



DISCUSSION; INSTITUTIONAL COMPLEXITY AND THE ROLE MODEL FUNCTION

We now elaborate on the findings as depicted in Figure 3.3 and the propositions. The NGOs' mission and primary "raison d'être" are located in their direct advocacy work. Yet, we find that their mission also drives sustainability of their internal conduct, next to the advocacy activities. This refers to a kind of "role model" function in which they might practice what they tell others to do: behave in a sustainable way. This role model function just has symbolic value (both internally for employees and to external stakeholders) since the internal operations of the organizations themselves are

unlikely to have major social, environmental or economic impacts (Unerman & O'Dwyer, 2006b).

The 'role model' function embodies institutional complexity (Greenwood, et al., 2011): conflicting institutional demands inform the organizations how to balance ends (advocacy versus symbolic function of role model) when means like time and money, are scarce (cf. Pache & Santos, 2010). This is reflected by the trade-offs we found in our research. 'The conflicting demands' rise between notions of perceived vulnerability and intrinsic drive (for role model) on the one hand and upward accountability and output responsibility for advocacy work on the other hand. Despite the perceived vulnerability, we did not encounter actual cases of external scrutiny. This is in line with the notion that visible organizations may be insulated from (external) organizational pressures (Greenwood, et al., 2011; Kraatz & Block, 2008). Paradoxically enough, the same type of organizations might be especially targeted by stakeholders as well, underlining the fragility of their legitimacy (Greenwood, et al., 2011).

The NGO offices in our research cope with the conflicting demands, which we called 'trade-offs', in heterogeneous ways, varying from hardly specific activities to enhance internal sustainable conduct to extensive sustainability programs and certificates. Not only between NGOs but also across national offices within the same NGO, approaches vary drastically. This is enabled by the fact that there is no direct external scrutiny and prescriptions concerning their internal conduct, apart from 'perceived vulnerability'. This leaves room for different ways to reduce the tensions of competing institutional demands, so how to deal with the trade-offs we encountered (Greenwood, et al., 2011; Pache & Santos, 2010).

The role model function is not transferred within those international NGOs in an organization wide approach of sense making about its position in the organization, despite the fact that its value for legitimacy is acknowledged implicitly by all organizations ('we need to walk the talk'). This notion that advocates (or advisors) do not address their role model function explicitly in an agreed policy or approach touches on a void: reflection on the symbolic role model function is lacking. This inhibits conscious organizational decision making (for instance on to what extent scarce resources are dedicated). This is a sort of 'role model vacuum' which may

damage legitimacy both internally and externally. Sustainability NGOs which do not behave in a sustainable way run this risk, but also for instance, accountants who do not organize their financial administration well.

Hence, although the role model does address a platform that might currently not burn, it addresses a potential threat to legitimacy (internally and externally) which is applicable to many organizations. Awareness about the role model function will enhance informed decision making and facilitate organizational responses in times of actual scrutiny when the platform starts to burn.

MANAGERIAL IMPLICATIONS

Our research touches on a hidden form of institutional complexity, the way to cope with a symbolic function of role model. Advocates, consultants or other organizations which tell or advise others what to do, need to balance their advocacy or consultants work with this role model function. A direct managerial implication of this study for those organizations is to appreciate that internal conduct has symbolic value and is more than just the infrastructure for fulfilling its mission. For the NGOs in this study this would imply that organizational members should reflect on the position of their internal sustainable conduct and the rationale behind its current decentralized approach (per office) in contrast with a more organization-wide policy that is the basis for individual local practices. This policy could set out principles for internal conduct in their strategy. Principles might range from a modest position and limited budgets for internal sustainable conduct to integration of the role model function in the organization's advocacy work (like one of the NGOs that built a show case office).

At the same time, stakeholders of advocacy NGOs, should take into account that responsibility and accountability are not without boundaries (Amaeshi, et al., 2008; Messner, 2009; Unerman & O'Dwyer, 2006a). Interest in NGOs' accountability is increasing (Jepson, 2005; O'Dwyer & Unerman, 2008; Steffek & Hahn, 2010; Unerman & O'Dwyer, 2010). Yet, emphasizing NGOs' accountability too much

might lead to 'ethical violence' (Messner, 2009). In our cases however, we did not encounter such external emphasis on accountability.

CONCLUSIONS

In this study we address the following research question: '*What drives or slows down sustainable conduct of NGOs which are sustainability advocates?'.* We investigate and theorize how advocacy NGOs are moved to self-regulate in their own advocacy area and to practice what they ask others to do.

Our contribution to literature is threefold. First, this study extends knowledge on and research to *NGOs*. Findings show that in our cases their advocacy mission has both normative (perceived need to 'walk the talk'), cultural cognitive (taken-for-granted) and legitimating effects on the NGOs' internal conduct. A special example of the normative drive to sustainable practices is that some NGOs even cause their own wake-up call through advocacy work that targets conduct of external organizations. Besides, the advocacy related mission and work seems to have a paradoxical effect on internal conduct. On the one hand it is a driving force; but on the other hand, in some instances, their legitimacy enables trade-offs (which are due to limited resources) to be made in favor of their primary advocacy work. This is understandable given an NGO's (advocacy) role. Yet the public at large may actually expect NGOs to 'walk the talk' themselves and to have and execute clearly articulated policies related to their internal behavior on a global scale.

This relates to the second contribution of this research: we outline conflicting demands that NGOs face between advocacy work and a symbolic function as (internal and external) role model. We meet calls for further examination of how organizations respond to different demands (Kodeih & Greenwood, 2013). We find that organizations respond to those demands in heterogeneous ways, even within the same NGO. Despite its value for legitimacy, the role model function is not transferred within those international NGOs in an organization wide process of sensemaking about its position in the organization. This points at a kind of *role model vacuum* in

their policies: reflection is lacking to make conscious organizational decisions on how to cope with this symbolic value.

Third, we study *drivers to sustainable behavior* in a novel context and understudied organizations like NGOs may reveal novel approaches and insights (cf. Pagell & Shevchenko, 2014). We refine and extend knowledge about what may drive an organization's sustainable conduct from an institutional point of view. There is a novel and significant position for cultural cognitive drivers (see Campbell, 2007) and also for the major paradoxical effect of the NGOs' mission, which stimulates sustainable behavior on the one hand and on the other hand potentially enhances "intention-behavior gaps". Although part of these results might be idiosyncratic for advocacy NGOs, similar drivers and paradoxical effects might be found in organizations like for instance fair trade, ethical banking or political organizations with a sustainability focus. For organizations that do not have a sustainability related mission, cultural cognitive drivers appear to be lower in general (see also Hoejmose & Adrien-Kirby, 2012; Walker, et al., 2008) and in their trade-offs between their mission and internal sustainable conduct there is no role model function at stake.

This study involved a limited number of organizations and a limited geographical scope. Yet, although advocacy NGOs are quite specific organizations and case research should not be generalised, valuable findings have resulted from the specific character of the organizations studied. Future research could test the propositions that resulted from this study. In addition, organizational characteristics were found to potentially be among the important barriers in adoption of sustainable conduct (next to institutional drivers and barriers), like organizational size, rented or old office buildings, a limited number of employees and the internal global governance model (see also Bowen, et al., 2001; Gallo & Christensen, 2011; Min & Galle, 2001). Future research could take these organizational characteristics into account as well.

Another direction for future research would be a further analysis of organizations' position towards their 'role model' function in relation to organizations' identity (Greenwood, et al., 2011; Kodeih & Greenwood, 2013).

APPENDIX 3.1

INTERVIEW GUIDE

Categories of questions for the semi-structured interviews are listed, although the interview is not limited to those questions, implying room for different or additional topics. *Italic texts serve as potential refinements for question categories.*

0. Interviewee background and function within the NGO

A. General questions on the organization: governance and countries (tasks, classification of country organizations etc) and reporting

- *What countries are most influential? What financial data are available per country income versus spending?*
- *Top down or bottom-up policies in place?*
- *How contact and knowledge transfer about reporting and sustainability? (Or is it mainly about advocacy issues?)*

B1. What sustainable policy and practices are in place on an international level? (with help of checklist for internal operations incl procurement)?

(Institutional) drivers, barriers.

- *sustainable operations practices or guidelines in place or planned: Yes; No/Unclear.*

  procedures related to pollution: CO2 emissions; Waste; Recycling/ Reuse.

  internal operations: Water; Energy, batteries; Paper, ink, office materials; Travel, gas, petroleum; Infra-structure, buildings
- *sustainable procurement practices or guidelines in place or planned: Yes; No/Unclear.*

  procurement concerns: Social conditions (?), Human rights and Child Labor; Environment; Fight against corruption; Other.

  examples of sustainable procurement: Fair trade products; Recycled paper; Other.

B2. What sustainable policy and practices are in place on a national level? (with help of checklist for internal operations incl procurement)?

(Institutional) drivers, barriers.

- *Head office: what countries do report? Is this linked to other reporting processes within the organization?*

- *Country organization: See B1.*

C1. How do international NGO's report on sustainability of their worldwide operations?

- *Following a standard? Why / why not? INGO member now or in the past? GRI Reporting level: A+; A; B+; B; C+; C. GRI Reporting status: Self-declared; Third Party checked; GRI-checked.*
- *Development?*

  How has reporting developed in the last years? What are objectives / roadmap in reporting? Reporting process & data gathering? Annual reports & other reports? International level vs. national level? Peer organizations? Why reporting? Who reports?

C2. What are drivers and barriers in this reporting process? (e.g. institutional forces)

- *Process for sustainability reporting: What do internal and external stakeholders request in terms of reporting (employees, management, other NGO's, society?)?*
- *What are the challenges in data gathering and reporting?*
    - *Institutional forces: regulative (how does self-regulation influence internal reporting policy?) , normative (what is expected by society?) and cultural-cognitive elements (do they mimic other organizations or business partners etc?)*

APPENDIX 3.2

CODING STRUCTURE

INITIAL CODES		
SUBJECT	CODES	REMARKS
Three institutional pillars as described by Scott (2008), where those pillars are outlined	1. regulative, 2. normative, 3. cultural cognitive.	Both before coding and during the coding process, coders made sense of the meaning of the three pillars. The regulative pillar, with as basis of order 'regulative rules' and basis of legitimacy 'legal sanctions' was clearest. Regulative influences however, turned out to be minimal for NGOs internal conduct. The normative and cultural cognitive were discussed more often (see research methods)

Character of the influence on internal sustainability; Drivers or barriers	4. driver to practice 5. driver to report 6. barrier to practice 7. barrier to report	• driver: positive, driving influence • barrier: negative, slowing (or even blocking) influence • distinction made in driver/barrier coding between practice and reporting as additional refinement. Accountability and transparency are integral part of sustainable conduct and in the final version/analysis, both sustainable practices and reporting are clustered as sustainable conduct. We used the refinement in the results and the discussion section where we mentioned reporting explicitly as nuances.
Examples and outlines of sustainability practices	8. practices, 9. reporting 10. policies	• practices: descriptions of sustainable conduct as practiced in the organization • reporting: descriptions of sustainability reporting as practiced in the organization • policies: sections that referred to documents, rules or guidelines that were guiding sustainable conduct
Organizational factors	size, resources, knowledge/ skills, governance issues, stage of development, mission	Next to institutional, legitimacy related influences, also practical factors turned out to be influential factors. The size of the organization state of buildings etc owned or rented, specialist knowledge that was available due to advocacy work, and interactions between offices of the same NGO. We included those in our coding.
	Governance	The way the organization is governed (formal and informal)

ADDED CODES:

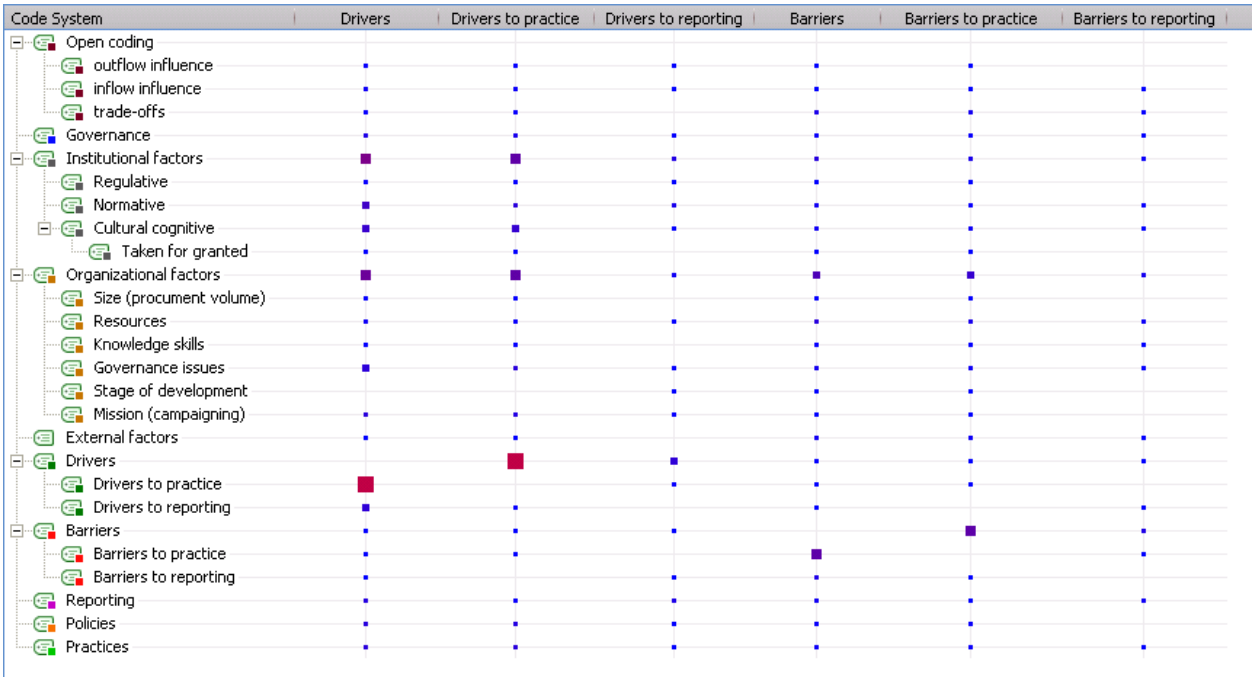
Discussions between coders to get consensus resulted in more fine-grained coding:

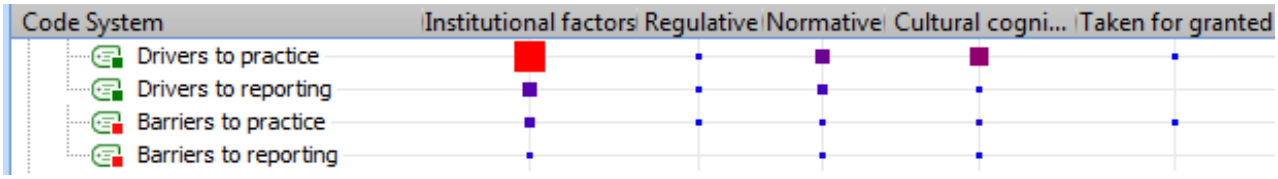
- 'Taken for granted' was added as sub-codes to cultural cognitive as a more precise category which we encountered during coding (Scott, 2008)
- 'Outflow influence' indicates situations in which the NGO directly influence others' sustainable conduct.
- 'Inflow influence' situations in which others influence the NGO's sustainable conduct.
- 'Trade-offs' were recognized during the coding process, referring to situations in which conflicts of interests arise between different (driving) factors (Greenwood, et al., 2011).
- 'External factors' (market or supplier development stage) referred to situations where e.g. the market worked as limitation to sustainable conduct: e.g. when the market could not provide the sustainable solutions the NGO was looking for (e.g. banners without PVC).

APPENDIX 3.3

CODE RELATIONS MATRIX

Example of two excerpts of the code relation browser





CHAPTER 4: ANTECEDENTS FOR SOCIAL SELF-REGULATION; WHY ORGANIZATIONS SEEK SA8000 CERTIFICATION[1]

ABSTRACT

The natural environment often seems to prevail over humans on the sustainability agenda. Also, when it comes to what is considered to be the most applied and well-known certifiable social management standard globally, SA8000, adoption rates remain conspicuously low. This raises the question of what 'catalyzes' organizations to adopt social initiatives. This study addresses the following research questions: '*What are antecedents for organizations to adopt SA8000?'* and *'How do those antecedents affect the standard's adoption*?'

We study the global growth pattern of SA8000 over time and the antecedents for organizations to adopt this social standard. We draw on institutional theory, combining this with a performance lens, and find limited growth expectations and a 'narrow foundation' for adoption of the standard, which is mainly performance based, and focused on conformance to customer requests in order to avoid loss of business. We find that adoption is further filtered through and limited by customer agendas, with an emphasis on a few industries and nations. In addition, our study reveals a chain effect brought about by symbolic customer requests for certification, which directly affect SA8000's effectiveness in the upstream supply chain. This research meets calls for research on the social aspects of SSM, which appear to be under-researched.

[1] This chapter is the result of work carried out collaboratively with Bart Vos

INTRODUCTION

"Why are polar bears more important than people?" This remarkable question was raised by Pfeffer (2010) to highlight the phenomenon that both in terms of research and in terms of management initiatives, the natural environment seems to prevail over humans on the sustainability agenda. In the area of supply chain management (SCM), with its tremendous sustainability impact, it is also recognized that the social component of sustainable supply management (SSM) has often been ignored. Instead, the literature has focused on the green aspects of sustainability in the supply chain (Pagell & Wu, 2009; Seuring & Müller, 2008; Walker, et al., 2012). This has led to calls for more attention to be paid to social factors in SSM, and to related areas in logistics and operations (Kleindorfer, et al., 2005; Pagell & Wu, 2009) .

In this research, we focus on the certification of social conduct, a common way of ensuring socially responsible conduct in the supply chain (Hoejmose & Adrien-Kirby, 2012). Certifiable management standards are part of the new institutional infrastructure of corporate social responsibility, as characterized by Waddock (2008). The standards act as a governance mechanism whereby firms can ensure social conduct in their supply chain, and they are a way of coping with the absence of strict laws and regulations and their enforcement, since certified suppliers are under obligation to meet the standards' requirements. SA8000, introduced in 1998, is considered to be the most applied and well-known certifiable social management standard globally (Behnam & MacLean, 2011; Miles & Munilla, 2004). It aims to improve working conditions and is based on the conventions of the International Labour Organization (ILO).

Despite the fact that SA8000 is considered to be the most applied social accountability standard, its global adoption rates remain conspicuously low. To cite an example, there is a noteworthy difference between SA8000 adoption rates and those of its environmental counterpart, ISO 14000. Both standards were introduced just before the turn of the century: ISO 14000 in 1996; SA8000 in 1998. The two

standards clearly have important commonalities[2], but they also have different characteristics, such as their regulatory organ and their content (cf. Heras-Saizarbitoria, 2011)[3]. Even though different adoption rates can be expected due to these differences, the adoption rates after 10 years of adoption are 130,000 (ISO 14000 in 2006) compared with 2,000 (SA8000 in 2008). This warrants the question of why the adoption of SA8000 lags so far behind its environmental counterpart in the sustainability arena.

Although there has been considerable research on the adoption and growth patterns of major certifiable management standards (e.g. Franceschini, Galetto, & Gianni, 2004; Marimon, Casadesus, & Heras, 2006), this has mainly concerned the major quality and environmental standards, ISO 9000 and ISO 14000 (Heras-Saizarbitoria & Boiral, 2013). Little or no research has addressed the adoption and growth dynamics of SA8000. However, such research would be worthwhile, given that SA8000 is still the most adopted and well-known standard in the social arena globally (Behnam & MacLean, 2011; Miles & Munilla, 2004). Moreover, SA8000's different adoption pattern suggests that there are different antecedents for adoption, and that these are affecting its diffusion. This is addressed by the research questions in this study:

What are antecedents for organizations to adopt SA8000?

How do those antecedents affect the standard's adoption?

By focusing on the antecedents (especially drivers and barriers) for SA8000 adoption, we aim to increase our understanding of the global growth pattern of this standard. We analyze its adoption rates over time, and its expected saturation level by regression analysis of the standard's growth curve. In addition, we use a qualitative approach, drawing on combined information sources, to acquire an in-depth understanding of actual *institutional and performance-related* antecedents that affect SA8000 on a global scale. This constitutes a *direct* assessment of conditions for adoption (Kennedy & Fiss, 2009). This is in line with pleas for more research on what

[2] Commonalities are in its international and cross-sector focus, its certifiability and its organizational impact and scope (cf Heras-Saizarbitoria, 2011).

[3] Where the ISO organization is known and experienced in the field of standardisation, the SAI organization was set up ad hoc for the creation of its SA8000 standard. Besides, the SA8000 sets minimum requirements and ISO 14000 is a procedure standard which lacks minimum requirements.

'catalyzes' organizations to adopt social initiatives (Aguilera, et al., 2007) and innovative practices (Ketokivi & Schroeder, 2004).

We build on institutional theory, combining this with a performance lens since legitimacy-enhancing and performance-seeking aims can co-exist (cf Delmas, 2002; Guler, Guillén, & Macpherson, 2002; Kennedy & Fiss, 2009; Tambunlertchai, Kontoleon, & Khanna, 2013).

In short, regression results confirm limited growth expectations for SA8000 adoption under current conditions, as was also pointed out in interviews. By using an integrated institutional and performance lens for our data, we find that this limited growth potential comes from the standard's 'narrow foundation', which appeared to be limited in several respects.

Our research aims to contribute to the intersection of different streams of research (Gilbert, Rasche, & Waddock, 2011), by adding a leading global standard to research that has so far addressed adoption dynamics mainly in terms of ISO standards. It introduces the standard's 'foundation' which is limited in three dimensions. It also contributes to the limited SSM research on social factors by unraveling the supply chain effects triggered by superficial or 'symbolic' customer requests for socially certified suppliers. These symbolic requests appeared to lead to symbolic SA8000 implementation in the upstream supply chain.

Our findings have managerial implications for the way that firms, in their role as customers, can ensure social conduct in their upstream supply chain and similarly, on a macro level, for the way that governments and other institutions can steer certification and associated, underlying social conduct within their spheres of influence.

RESEARCH BACKGROUND

Certifiable management standards like SA8000 are part of the new infrastructure, as described by Waddock (2008), which has developed due to the need to ensure socially responsible conduct both within and across organizational borders.

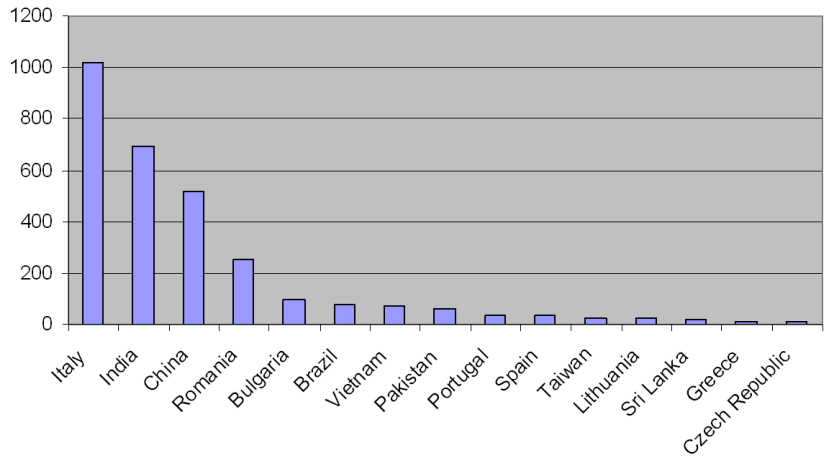
Management standards are a common way of ensuring socially responsible practices in the inbound supply chain (Hoejmose & Adrien-Kirby, 2012).

SA8000 certification is carried out by third-party auditors, just like the ISO procedures. SA8000 aims to improve workplace conditions and is based on the conventions of the International Labour Organization (ILO) and the United Nations. It addresses child labor, forced and compulsory labor, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems. Social Accountability International (SAI), a New York based NGO, is its founding organization.

SA8000 has relatively high adoption rates in Asia in terms of certified facilities. Around half of its certified facilities are Asian. Figure 4.1 shows the atypical pattern of countries with the highest SA8000 certified facilities (out of the total of 69 countries where SA8000 has been adopted). With the exception of Italy, Western countries hold a minority of certifications. Italy's special position, it has been pointed out, is due to the influence of e.g. local and regional governmental stimuli (Albareda, Tencati, Lozano, & Perrini, 2006; Marimon, Casadesús, & Heras, 2010; Tencati & Zsolnai, 2009), which are reflected in their high adoption rates for SA8000 and other management standards.

FIGURE 4.1

SA8000 certified facilities in countries with the highest adoption rates



Source: SAI, http://www.saasaccreditation.org/facilities_by_country.htm, entered on August 19, 2013

In order to outline the academic research context for SA8000, we have first outlined below the research on major certifiable management standards in general and then outlined the research specifically on SA8000.

Adoption of Certifiable Management Standards

A growing body of research exists in the area of certifiable management standards. This research is embedded in the literature on operations management and supply chain management (e.g.: Casadesús, Marimon, & Heras, 2008; Corbett & Kirsch, 2001; Corbett & Kleindorfer, 2003; Melnyk, Sroufe, & Calantone, 2003; Singh, Power, & Chuong, 2011) and in management studies on self-regulation and diffusion (e.g.: Albuquerque, Bronnenberg, & Corbett, 2007; Christmann & Taylor, 2001, 2006; Guler, et al., 2002; King, et al., 2005).

ISO 9000 and ISO 14000 have a central and prominent position in this research on management standards, and the research focus ranges from their creation, and the motives to certify, through to their impact and diffusion (for an overview see: Heras-Saizarbitoria & Boiral, 2013). In the area of motives and antecedents for the adoption of ISO 9000 and ISO 14000, studies yield diverse results. However, export and trade relations, and signaling to 'the market' to overcome information asymmetry, have often been cited as among the most significant drivers for adoption (Albuquerque, et al., 2007; Christmann & Taylor, 2001; Corbett & Kirsch, 2001; Guler, et al., 2002; King, et al., 2005). In the case of ISO 14000, alongside trade related motives, other influences like the role of governments (Guler, et al., 2002) and more intrinsic and cultural drivers have been found (Albuquerque, et al., 2007; Corbett & Kirsch, 2001; Melnyk, et al., 2003; Vastag, 2004).

The major management standards are also found to result in economic benefits, such as improved performance (De Jong, Paulraj, & Blome, 2014; Melnyk, et al., 2003; Singh, et al., 2011), which may act as a stimulus for adoption. In summary, there is a heterogeneous body of research on antecedents and motivations for the adoption of the major certifiable management standards (Heras-Saizarbitoria & Boiral, 2013).

Along with the antecedents for the adoption of management standards, the adoption rates itself have been studied (Casadesús, et al., 2008; Franceschini, et al., 2004; Marimon, et al., 2006; Marimon, et al., 2010; Zhu, Tian, & Sarkis, 2012). These studies confirm that their cumulative adoption over time follows a sigmoid or S-shaped curve, reflecting the different stages of adoption leading up to the point of saturation (and in some cases even declining again), which is similar to the adoption patterns found for other innovations (Guler, et al., 2002; Meade & Islam, 2006; Sood & Tellis, 2005).

Adoption of SA8000

If we shift the focus from the major quality and environmental standards to their leading counterpart in the area of working conditions, SA8000, academic research appears to be much more scattered, and more limited in scope. This may be due to its lower penetration rate in businesses. In particular, theoretical contributions have been made alongside empirical studies, addressing e.g. the ethical grounds and ethical limits of social standards like SA8000 (Behnam & MacLean, 2011; Beschorner & Müller, 2007; Gilbert & Rasche, 2007, 2008; Rasche, 2010a, 2010b; Waddock, 2004). Other individual studies have focused on a single adopter or a few adopters (e.g. Ciliberti, De Haan, De Groot, & Pontrandolfo, 2011; Rohitratana, 2002) or on the case of one specific country or industry (Kortelainen, 2008; La Rosa & Franco, 2005; Stigzelius & Mark-Herbert, 2009).

To our knowledge, there has been no in depth empirical research on SA8000's international growth, and its antecedents for adoption. This study aims to extend empirically insights into those antecedents and into the standard's related (and relatively low) global adoption (cf Franceschini, et al., 2004; Marimon, et al., 2006; Zhu & Sarkis, 2004).

We adopt an institutional perspective, combined with a performance perspective, to analyze SA8000's antecedents for adoption. These perspectives are discussed below.

Institutional Theory and a Performance Perspective

Institutional theory emphasizes the role of institutions in an organization's search for legitimacy (DiMaggio & Powell, 1983). Legitimacy is gained when the actions of an organization are aligned with what is considered "desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman, 1995). It builds on the three pillars of institutions: the regulative, normative and cultural cognitive pillars (Scott, 2008). The regulative pillar is based on regulative rules, which coercively direct an organization's conduct. The normative pillar is based on 'morally governed' expectations. The cultural cognitive pillar is based on shared understandings and common beliefs which affect an organization's actions.

The institutional lens is often applied in an integrative approach together with other perspectives (Delmas & Toffel, 2008) to analyze firms' decisions to self-regulate, and to go beyond legal compliance, like the decision to obtain certification to a management standard. A performance perspective, for instance, frequently appears in this kind of integrative approach in institutional debates. This adds the dimension of 'substantive benefits', in which the economic bottom line, and not just the desire for legitimacy, affects organizational practices (Heugens & Lander, 2009). Performance scholars indicate that it is a key managerial responsibility to maintain the balance between institutional and competitive demands (Heugens & Lander, 2009).

The institutional perspective has proved useful when studying the antecedents for the adoption of new (manufacturing) practices (Ketokivi & Schroeder, 2004) and has frequently been used in research on management standards (e.g. Bansal & Bogner, 2002; Delmas, 2002; Delmas & Toffel, 2008; Guler, et al., 2002; Jiang & Bansal, 2003; Kennedy & Fiss, 2009; Tambunlertchai, et al., 2013).

Many of these studies on management standards adopt an integrative approach, using insights from institutional theory combined with a performance perspective, and acknowledge the influences of economic considerations on adoption decisions, alongside legitimacy seeking considerations. A few examples are outlined below.

In their study on the adoption of total quality management (TQM[4]), Kennedy and Fiss (2009) found that the motivations to appear legitimate and to improve economic performance co-exist, both for early and for late adopters of TQM. They combined this finding with organizational decision-making research, framing situations like adoption decisions either as 'threats' or 'opportunities', which appeared to drive the adoption decisions of early and late adopters in different manners.

In the area of certifiable management standards, Delmas (2002) finds institutional influences for efficiency (performance-) seeking organizations making the decision to adopt ISO 14000 across the U.S. and Europe. She finds that an organization's institutional environment (for instance the availability of governmental support for adopters or the fear of public scrutiny) impacts the standard's potential benefits and costs. When zooming in on interactions between departments and external stakeholders, Delmas and Toffel (2008) conclude that external stakeholders such as suppliers and customers (market forces) and regulators and environmental organizations (institutional forces) influence the decision to adopt ISO 14000 or government initiated programs, depending on their interactions with the adopter's influential corporate departments. Combining the economic and institutional perspectives enables Bansal and Bogner (2002) to outline both the merits and the costs of ISO 14000. They conclude that quick responses to economic pressures may offer competitive advantage, whereas quick responses to institutional pressures foster stakeholder relations in the long term.

In short, an integrated approach, combining institutional and performance perspectives, has proven to be an apt means for studying the antecedents for the adoption of management standards (see also Heras-Saizarbitoria, 2011; Heras-Saizarbitoria & Boiral, 2013). The vast majority of research, however has addressed major quality and environmental standards, rather than social standards. By studying SA8000 we aim to extend these studies in two ways. Firstly, it widens the spectrum of empirical studies, by investigating adoption of *social* standards. Secondly, we elaborate on the generic dynamics behind the standard's adoption.

[4] TQM practices in this study refer to different forms and programs of TQM, rather than to one management standard.

RESEARCH METHODS

SA8000 adoption concerns a complex social setting with cultural sensitivities in which the motivations of actors are concealed. A qualitative approach enhances a better, in-depth understanding of such cultural sensitivities and motives since it allows us to come close to the phenomenon being studied (Bansal & Corley, 2011) and to provide rich data (Boyer, Swink, & Rosenzweig, 2005). Therefore, the research design selected is mainly qualitative, and involves triangulating interviews, archival data and other sources of information. In addition, a regression analysis reviews the adoption dynamics of SA8000 as a (relatively small) management standard over time and tentatively infers its level of saturation under current conditions. This regression analysis allows one to view SA8000 in the light of the adoption of innovation in general, and more specifically, in relation to other management standards.

Data Collection Methods

For this research, we triangulated multiple sources of data: interviews with different groups of informants, archival data, data on adoption numbers, and field-related conferences, in order to enable richer analyses (Barratt, et al., 2011; Eisenhardt, 1989; Yin, 2009). Table 4.1 outlines the major characteristics of these data, including sources and data analyses. The antecedents for adoption, and implementation at the firm level are the unit of analysis.

Adoption rates: Country-level data on the number of SA8000 certified facilities were obtained for each year from 1998 to 2012 (for each quarter from 2004 onwards) from SAI[5]. These figures have been cross-checked with data from SAAS[6], the standard's accreditation body, and are the basis for the quantitative analysis. No significant differences were found. In terms of transparency, SAAS also publishes a full list of certified facilities (names and addresses).

[5] From the quarter data, all fourth quarters were used. At the time of our analysis, Q4 2012 data were available only at international level and were therefore replaced at country level by Q1 2013, after a sensitivity test.
[6] Http://www.saasaccreditation.org/about.htm

TABLE 4.1

Data sources and analyses

Type of data:	***Source:***	***Amount of data:***	***Analysis:***
Quantitative data; adoption rates	SAI, New York, SAAS, New York	SA8000 adoption rates per country 1998-2012: 15 years worldwide	Global adoption rates & major adopting countries: logistic curve regression. Analysis of geographical and industrial spread.
Interviews SAI	3 SAI key informants with in-depth knowledge about SA8000 on a global scale and/or national insights into major adopting countries	3 interviews (separate)	Transcribed interviews were double coded and analyzed to develop concepts (international perspective), apart from the first preliminary interview which set out the general background.
Expert and specialist interviews	6 auditors from five international auditing firms (Indian branches) accredited to certify SA8000	3 interviewees (2 interviews) & 3 interviewees (3 condensed interviews)	Transcribed interviews were double coded and analyzed to develop concepts (mainly national perspective).
	4 specialists in social systems, developing (governmental) policies on social auditing, three Indian, one Chinese	4 interviewees (3 interviews)	
Company interviews	9 companies with different international management certifications; 21 interviewees, 16 interviews; 5 factory tours	12 interviewees from 5 SA8000 adopting companies, based in India [7]	Transcribed interviews were double coded and analyzed to develop concepts (company perspective; emphasis on local background).
		9 interviewees from 4 *non*-SA8000 adopting companies, based in India	
Conferences & archival data	BSCI stakeholder conference Nov 2012, Brussels; Textiles conference on social conditions, June 2013, The Hague; Printed and internet publications	*notes, conference documents, presentations from 2 conferences; *(internet) publications	Used as background information: conference presentations, notes and informal information exchange with conference attendants allowed deeper insights into the buyer perspective (brands) and dilemmas in developed countries, and Western vision of social conditions in supplying factories. Publications provided general background information on SA8000 and other social standards, company information on visited companies, and specific information on e.g. disasters.

Archival data: Archival data included publicly available publications on SA8000 and other management systems related to working conditions. Those publications were obtained from SAI, SAAS, BSCI, the International Trade Centre, etc and provided contextual information for our research. Also two *conferences* were visited,

[7] The SAAS certified facilities list dd 30 Sept 2012 was used to check the SA8000 adoption status; http://www.saasaccreditation.org/certfacilitieslist.htm; accessed on 4 April 2013. In one of the cases, where the status (date of certification, certified facilities) was not clear on the basis of interview data, the list showed a non-adopter status. Archival company data suggested prolonged expiration. This company was classified as (an informed) non-adopter.

to further enhance our understanding of the context of SA8000, especially from a Western perspective, and to extend our research network.

Interviews: Interviews with key informants from various stakeholder groups were a primary source of information, allowing us to gather complementary, but also contrasting, and opposing views (cf. Ansari & Phillips, 2011), and enhancing the reliability of our research thanks to the potential for triangulation and the reduction of social desirability influences (Crane, 1999; Podsakoff, et al., 2003).

Individuals were purposefully selected as knowledgeable informants on SA8000 from the different stakeholder groups: [1] SAI experts, [2] social standards experts and auditors, [3] adopting companies and [4] non-adopting companies[8] (see Table 4.1). International SAI representatives and experts and auditors were able to share international and/or cross-organizational expertise. Adopting companies and their non-adopting counterparts were able to contribute in more depth by sharing their internal motives and local insights. A common denominator for the interviewed representatives in these companies was their involvement in decision-making around certification (Kennedy & Fiss, 2009), rather than their functional area (see Table 4.2 for company and interview details).

Adopters and non-adopters and some of the experts were selected from three widespread regions of India because, as a major adopting country in Asia (where the majority of adopters are located), India could be shown to offer a representative research context with only limited English language barriers. It should be noted that, due to the sensitivity of the subject, the sample of adopting and non-adopting companies that were willing to participate could have been biased. However, by interviewing and triangulating different stakeholder groups, this bias should have been minimized.

All interviews were realized by the first author. Where interviews in person were not possible due to e.g. location (especially SAI) interviews took place over the telephone. Those interviews that took place in India were mainly held on site, and were spread across the National Capital Region of Delhi, the Karnataka region and

[8] In order to ensure a similar level of knowledge on international standards, non adopting companies were certified or in the process of certification for ISO 9001/14001 standards

the Tamil Nadu region. The duration of interviews was typically one hour[9]. Where place and time allowed, a factory tour was made. Most interviews were conducted with one interviewee at a time (see Table 4.2). Interviews were recorded and notes were also made. However, due to the sensitivity of the subject 'social conduct' and 'certification', some interviewees indicated that recording was too sensitive. They preferred the interviewer to just make notes. All interviews were treated anonymously.

The semi-structured interviews were based on an interview protocol, customized for each stakeholder group (see Appendix 4.1). Open-ended questions were a starting point, but were not designed to prevent the interviewee from raising new aspects that could be relevant.

Table 4.2

Interview details of adopting and non adopting companies

Major Company details				**Interview details**				
Company	**Industry**	**SME**	**MNE**	**Interviewee roles**	**indivi-dual**	**recor-ded**	**factory tour**	**on site**
adopter 1: AD1	Apparel	**X**		Manager Customer Relations; HR Manager; Chief Manager Operations		**X**	**X**	**X**
adopter 2: AD2	Apparel	**X**		CEO; HR Manager		**X**	**X**	**X**
adopter 3: AD3	Textiles	**X**		General Manager; Export Manager; SCM Manager; Compliance Manager	**X**	**X**	**X**	**X**
adopter 4: AD4	Steel		**X**	Vice President Public Affairs; Vice President	**X**	**X**		**X**
adopter 5: AD5	Textiles	**X**		Managing Partner	**n/a**		**X**	**X**
non-adopter 1: N-AD1	Agriculture	**X**		Head of Operations; Quality Control Manager; Quality Analyst				**X**
non-adopter 2: N-AD2	Apparel	**X**		HR and Compliance Manager	**n/a**	**X**	**X**	**X**
non-adopter 3: N-AD3	Information Services		**X**	General Manager Facilities Mgmt; Sustainability Manager; Health and Safety Manager; HR Executive	**X**	**X**		**X**
non-adopter 4: N-AD4	Agriculture	**X**		Quality Executive	**n/a**	**X**		

[9] In some cases duration was extended to two or three hours, or, as was the case for three condensed expert interviews, see Table 4.1, shortened to 15-20 minutes.

Data Analysis Methods

Methods for analysis of adoption data: The regression analysis studies the adoption characteristics of SA8000. Models of innovation diffusion processes, including those of administrative innovations over time, have taught us that generally the cumulative adoption follows an S-shaped or sigmoid curve, indicating few early adopters, followed by an increase in adoption and finally, by a slowing down (Guler, et al., 2002). Sigmoidal curves have previously also been found to fit the adoption of major management standards well (Franceschini, et al., 2004; Marimon, et al., 2006; Zhu & Sarkis, 2004). For instance, Marimon, et al. (2006) found and analyzed S-shaped curves for the adoption of ISO 9000 and ISO 14000. In order to capture growth over time, a sigmoidal curve is fitted to the SA8000 adoption data, with the help of XLFit 5 software[10], in order to estimate the "fit" of the much smaller SA8000 standard. As has been pointed out in previous research, innovations may need to reach a critical mass before the contagion effect, as described by sigmoidal curves, is triggered (Mahler & Rogers, 1999; Sood & Tellis, 2005), and this may result in different adoption curves for small standards. Of the curves widely used for modeling innovation diffusion, the Gompertz curve, which has been found to have good forecasting accuracy (Meade & Islam, 2006), is applied. The Gompertz curve is described by:

$$y = A \exp(-\exp(B - Cx))$$

where: 'y' represents the number of certificates, as a function of time. 'A' represents the upper asymptote, i.e. the number of certificates that has been reached at saturation level. 'A','B' and 'C' are unknown positively valued coefficients and 'x' is time (Franses, 1994).

Our focus is certification data on a world-wide scale (in Appendix 4.4 we include the curves of the three major countries: Italy, India, and China, which together host over 70% of all SA8000-certified facilities).

Data analysis of interviews: The levels of analysis applied in institutional research vary (p. 86, Scott, 2008). The level of analysis we used in our research was firm level.

[10] Validated by the UK's National Physical Laboratory (NPL).

Interviewees acted as key informants about their own organizations (cf. Orr & Scott, 2008) or (in the case of expert interviews) about external organizations, which (could) adopt SA8000.

Recorded interviews were transcribed with F4 software. All transcriptions and notes were coded and analyzed, with the support of MAXQDA software. Coding was carried out independently by two different researchers to maximize reliability (Barratt, et al., 2011; Eisenhardt, 1989; Yin, 2009).

The initial codes were (i) drivers or barriers (driving or hampering antecedents) with (ii) institutional or performance characteristics. The *performance-related fragments* touched on factors affecting the organization's economic bottom line and/or efficiency, including costs, required resources and potential gains. *The institutional categories* were based on the institutional pillars, as outlined by Scott (pg 51, 2008): regulative, normative and cultural cognitive[11]:

- Influences are coded as 'regulative' when they are explicit and linked to regulative rules and compliance with legal requirements, or to laws, governance systems or property rights. *Hardly any fragments had regulative characteristics. It was indicated in some cases that social laws were in place, but that those were not often enforced.*
- 'Normative' coded fragments refer to largely tacit social obligations, which are linked to binding expectations and norms, evaluation, conforming to ideals and values, conventions, roles, taboos, practices, or protocols. *For example, an adopter (AD3) indicated that SA8000 was globally accepted and was therefore suitable for adoption.*
- 'Cultural cognitive' refers to highly tacit, constitutive schemes, beliefs, taken-for-grantedness or shared understanding, and is based on cognition, and conforming to models, or related to mental models, identities, schemas, beliefs, scripts, etc.. *For example, experts indicated that very few companies operated from a social value system. The companies with such a value system do not only focus on the business case.*

[11] The institutional pillars were used in a similar way in chapter 3, where this explanation is included as well. Terminology explaining pillars also based on Scott (2008).

To ensure maximum coding reliability, the following measures were taken. Firstly, both coders were closely involved in the project from the start, which enhanced their mutual understanding of its context. Secondly, the list of codes was drafted in advance and discussed in detail in order to facilitate and reach a shared interpretation. This list was refined during the analysis (Miles & Huberman, 1994). Consequently, a combination was used of (i) ex-ante listed codes drawing on institutional theory and performance principles, and (ii) codes that emerged from the raw data and refined or changed the list (Appendix 4.2). A third measure designed to ensure coding reliability focused on the discussion of inter-coder differences. Differences were discussed in detail by the coders until full agreement was reached. This was achieved [i] by adapting codes in initially coded fragments (if one of the coders or both coders changed their interpretation of data), [ii] by changing the length of coded segments or [iii] by assigning multiple codes to some fragments, whichever was most appropriate.

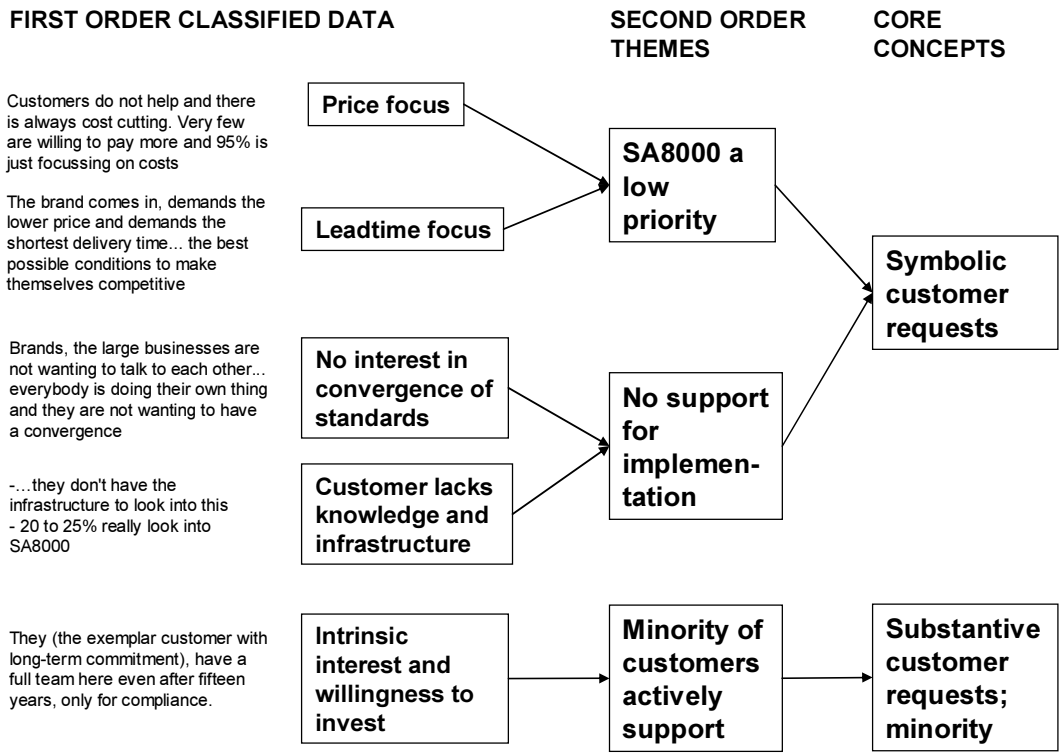
The institutional pillars, in particular, often refer to tacit notions and can be open to different interpretations. For example, one discussion centered on the role of the government in tenders. This role could automatically be seen as regulative. However, in this specific example, the government could be considered a (special) customer and so be linked to business benefits. We chose the customer role (cf. Guler, et al., 2002) since there is no regulation that forces suppliers to tender. However, the government as a customer sets its own supplier selection criteria. Another area for discussion between coders focused, for example, on the fragile distinction between social conduct in general, SA8000 in particular, and social standards in general. Often, interviewees shifted back and forth between more general 'social notions', SA8000 as a governance mechanism, and standards in general. In cases of different initial codes assigned by both coders to a specific fragment, discussion was about what was the main emphasis of a fragment. In instances of ambiguity, where more than one code could be justified, fragments were double coded.

When there was finally agreement on all coding, 748 coded fragments from the interviews were ready for further analysis. The researchers combined codes and identified emerging patterns from the data, iteratively moving between different data sources providing preliminary insights into antecedents for the adoption of SA8000. This iterative process identified the following antecedents which enhance adoption of

SA8000: (i) Customer pressure, (ii) to a lesser extent, signaling, (iii) to a minimal extent, intrinsic drive and a taken-for-granted attitude. The costs and efforts involved in certification and implementation of the standard are antecedents that appear to restrain adoption. Appendix 4.3 shows coding frequencies which indicate how often subjects were mentioned in interviews, regardless of the length of the coded fragments and the contents.

FIGURE 4.2

Customer request categorization from raw data (example)



Within the first and major category 'customer pressure', a dichotomy between two types of customer requests was encountered. As an example of this, Figure 4.2 depicts the connection between raw data and core concepts. Both experts and adopters contributed that in most cases SA8000 certification was requested by customers, without any offer of support from them or any possibility of them sharing the costs. We did not code for emotions. Yet, it is interesting to note that 'customer pressure'

and ‘symbolic requests’ in particular moved experts and adopters. For example, experts sometimes used expressions like ‘it is the West’ against us, and expressed feelings of anger. In a similar vein, in cases where there was active support, SA8000 adopters expressed their appreciation for the collaboration with customers and the remarkable contrast with their main customer base.

Although the focus of the analysis was on the antecedents for the adoption of SA8000, in order to sharpen our understanding, we contrasted the antecedents we found with [1] differences and antecedents that we found for other management standards and [2] antecedents that we found for social conduct in general. These analyses were combined, evaluated and recombined.

The analyses of the adoption figures and the interviews were combined. An early version of the paper was validated with selected informants. This did not lead to major changes.

RESULTS

We first outline the global adoption figures over time, which appear to fit a sigmoidal curve. Next, we focus on data from the major countries and sectors, in order to deepen our understanding of SA8000’s current geographical and sectoral spread.

In the second part of the results section, we outline the main institutional and economic antecedents for SA8000 adoption that we encountered in our study.

SA8000’s Growth Curve and Distribution

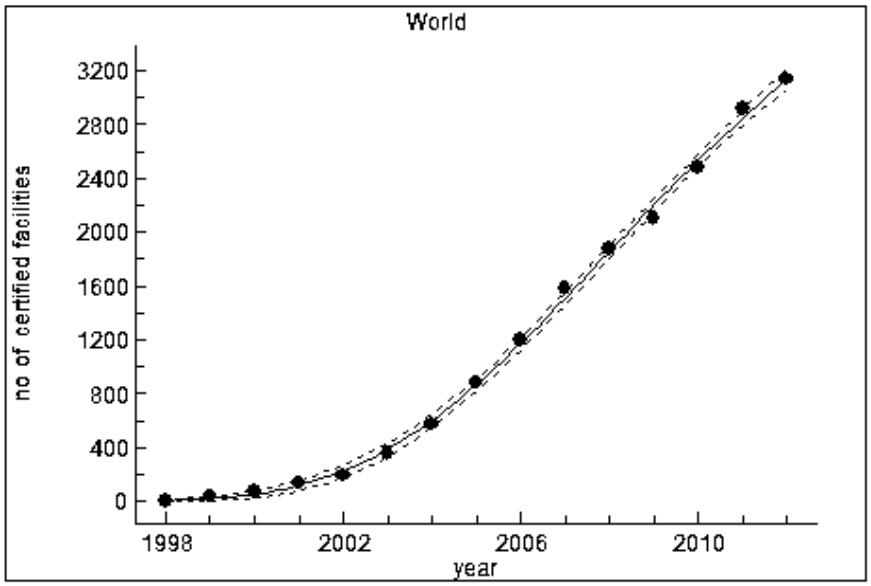
International growth curve: In this section, we highlight characteristics of the adoption curve, in order to investigate adoption patterns over time and connect them with the antecedents we found. At an international level, we can see (Figure 4.3) that momentum is gained around 2003 and that the curve inflects around 2008. An S-curve can be observed, and the high adjusted r-square confirms that a sigmoidal

curve[12] can provide a good model for the international adoption over time. This finding is in line with other research on management standards (Zhu, et al., 2012).

Following the global trend, the value of A, which stands for the saturation level, is expected to be just below 5,000 (4,951) certified facilities worldwide. This means that under current conditions and following the traditional 'adoption of innovation' curve, we can expect SA8000 to be saturated once about 5000 facilities have been certified globally. If this is the case, the standard has already reached around 60% of its adoption worldwide (based on data from early 2013). The dotted lines in Figure 4.3 indicate a confidence interval of 95%.

FIGURE 4.3

Global adoption rates of SA8000, 1998-2012 and regression data



	R^2	Adjusted R^2	A	Lower limit of A	Upper limit of A
World	0.998	0.998	4951	4214	5688

Interviewees articulated contextual information underlying the adoption numbers[13]. They outlined that in its early years, SA8000 has had a pioneering and exemplar

[12] Other sigmoidal models may fit as well. For the purpose of our study however , this curve regression is sufficient (as also noted in the work of Zhu, et al., 2012)

[13] This section is mainly based on interview data from experts and SAI representatives (addressing their working area).

function; certification commenced in 1998 and has had its merits as it has put social conduct on the business agenda by raising consciousness among firms. SA8000 has inspired and served as a blueprint for many other standards and codes of conduct. The presence of this additional function cannot be derived from adoption numbers. As one of the experts pointed out, SA8000 has caused a 'DNA change' in awareness and thinking about social conduct. However, after some years of growth, the standard's growth potential has become more saturated and no spectacular growth is expected under current conditions. The experts interviewed were unanimous on this point, and similar views were expressed by a few adopters: "because there are other ways, we feel they (SA8000) are on the top" (AD1) and another adopter: "I don't see it (SA8000) spreading" (AD2).

Both the interview and the regression data suggest a further flattening of growth due to saturation or, as one of the experts phrased it: "standard-fatigue". The standard seems to be heading to a relatively low point of saturation as compared with, for instance, its major environmental counterpart, ISO 14000.

It should be noted that the local conditions and differences in national contexts which underlie this curve vary. The three major adopting countries, for instance, (Italy, China and India, which together host over 70% of SA8000 certified facilities worldwide[14]) are subject to different timings and different saturation points, as shown in Appendix 4.4. This illustrates the fact that in the event of a major change in national conditions, the curve may change as well. Next section highlights some national and sectoral influences which have influenced current adoption rates.

Sectoral and geographical distribution: The range of industries requesting and adopting SA8000 on a considerable scale appears to be limited. Adoption is especially concentrated in just a few sectors and geographical areas. The emphasis on the textiles industry (see Table 4.3) is already well-known and, as was also confirmed in our interviews, has to do with the specific characteristics of the industry, which is labor intensive, has low added value (poorly educated workers), and traditionally faces a lot of challenges within its supply chain, e.g. abuse and child labor, which

[14] Based on SAAS data about Q1 2013.

have given the industry a bad image. Out of a total of 65 industries, the textiles and apparel industries host 23% of the certified facilities. This sectoral influence seems to be most apparent in China and India, which are the textiles and apparel industries' two major exporters[15]. These two countries have the highest (absolute) numbers of SA8000 certified facilities. India in particular has a high percentage of certifications in these industries.

TABLE 4.3

Major industries and countries with SA8000 certified facilities

Industry	Certified facilities (SAAS data Q1 2013)	% of total number certified facilities	Remarks
Apparel	387	12	high-risk industry
Textiles	345	11	high-risk industry
Construction	344	11	government stimulus
Cleaning	186	6	government stimulus
Country	**Certified facilities**	**% of total number certified facilities**	**Remarks**
Italy	1020	33	government stimulus
India	695	22	majority in textiles & apparel industry (418)
China	517	16	major part in textiles & apparel industry (136)
Romania	252	8	Government stimulus

The construction industry, which hosts 11% of certified facilities, also shows relatively high adoption rates, related to governmental customers stimulating SA8000 adoption[16]: 89% of the certifications in the construction industry originate from facilities in Bulgaria (78), Romania (142) and Italy (86). These three countries in particular provide governmental incentives for SA8000 certification, and for the construction industry, governments are a major customer. Government incentives provided in those three countries are also reflected in national adoption rates (Italy) and in a-typical adoption patterns, i.e. steep increases, a decade after the introduction

[15] See http://www.wto.org/english/res_e/statis_e/its2012_e/its12_merch_trade_product_e.htm, viewed on Feb 11 2014.
[16] See http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1404, viewed on Aug 26 2013.

of SA8000, (Bulgaria and Romania). 97% of certified cleaning firms are based in Italy (177), where governmental bodies allowed SA8000-certified companies to submit tenders[17].

Adopting companies are concentrated in just a few countries, and this geographical aspect is related to the uneven spread in terms of industry and governmental influences: three major countries out of a total of 69 countries, host 71% of SA8000 certified facilities, and Asian countries account for about half of the certified facilities, leaving around 17% for countries outside Asia and Italy. In some Western countries, there is certification due to government stimulus, but generally, as one of the SAI experts commented on the low adoption rates in those countries: *"Western countries do not think it applies to them, although it does."*

In summary, the geographical and sectoral spread of SA8000-certified facilities informs us about influences such as governmental stimuli (especially in their customer role) or a sector's vulnerability to scandals surrounding social conditions.

Antecedents for Adoption

In this part of the results section we outline the antecedents and motives for SA8000 adoption. These results are mainly based on our interview data. Customer pressure, then, to a lesser extent, signaling, and lastly, to a minimal extent, intrinsic drive, have been found to be the antecedents enhancing the adoption of SA8000. Regulative antecedents were not encountered. The costs and effort involved in certification and standard implementation are economically based antecedents which appear to restrain adoption. In this section we outline the antecedents for adoption, i.e. the conditions which may either enhance or restrain the adoption of SA8000 by organizations. Table 4.4 outlines the strength of the antecedents for each category, as it was reported by adopters, non-adopters, experts and SAI experts.

[17] This is a local influence, restricted to a few countries or areas; Although this may not have to do with regulations in the strict sense, it could be argued that this condition, which is set by governments, comes very close to being a regulative influence.

TABLE 4.4
Perceived antecedents, averaged out for each group of respondents

Reported by	*Influence of customer pressure*	*Signaling to customer market*	*Intrinsic drive*	*Regulative drive*	*Perceived net performance gains*	*Remarks*
AD 1-5	***	*	*	*0*	--	*-only AD4 no customer pressure, just intrinsic motivation* *-recognition of limited intrinsic drive in general; symbolic behavior recognized in the market*
N-AD 1-4	***	*(*)*	*0*	*0*	--	*-lack of customer pressure explicitly mentioned as leading to no certification* *-perception by N-AD 1,3,4 that SA8000 does not fit their business, no intrinsic drive*
Experts	***	*(*)*	*(*)*	*0*	--	*-recognition of limited intrinsic drive in general*
SAI-experts	***	*	*0*	*0*	*(*)*	*-one expert mentions gains and costs* *-recognition of limited intrinsic drive in general; symbolic behavior recognized in the market*

*0 = non-existent / not reported, * = weak drive, **= medium drive, *** = major drive, -- = hampering influence (*)= weak drive reported by limited number of respondents*

Table 4.4 indicates the main, perceived antecedents per group of interviewees, but does not show heterogeneous characteristics within the groups. These are addressed in more detail below, where applicable. We have used quotations to provide insights into and stay close to the original data obtained from the interviews (cf. Faems, Janssens, Madhok, & Van Looy, 2008).

Customer-related antecedents: *"Companies apply SA8000 for a number of reasons, and part of those have to do with demands of brands that they deal with, part of it has to do with market expectations, part of it has to do with the desire to increase business, and they feel that this verification will open up the market more to them."*

As this expert reveals, mostly customer-related factors play a predominant role in the adoption of SA8000. Firstly, the important role of existing customers as the main drivers overall for SA8000 adoption is acknowledged unanimously throughout all the expert interviews and in the company interviews. Non-adopters have never received

SA8000 requests from their customers. Two of the non-adopters of SA8000 commented in the words of N-AD3 "maybe in the future we will (adopt SA8000) if any customer asks for that."

Furthermore, because of the SA8000 requirement to foster social conduct upstream in the supply chain, SA8000 certification can also lead to more upstream certification. Companies which are (going to be) SA8000 certified are also supposed to control their suppliers from a social perspective, and may in turn request that their suppliers become certified. However, in many cases, this has proved to be a challenge due to e.g. the small size of these suppliers, and certification upstream has not yet been realized on a wide scale. The adopters whom we interviewed, explicitly mentioned their efforts to push SA8000 further up the chain, albeit in the face of considerable challenges.

The customer base which urges its suppliers to obtain SA8000 certification appears to be heterogeneous, in the way it requests SA8000 certification. A majority of respondents indicated that buyers superficially imposed SA8000 on top of existing purchase conditions, without any in-depth understanding of its implications for suppliers. One adopter formulated as follows his regret that the majority of his customers did not understand the contents of the standard they were requesting (AD1): *"20 to 25% really studied SA8000…"* and referring to the other customers, went on: *"They do not know what SA8000 says. You know, the customer, they want only the SA8000 certifications with the bottom price…"* Another adopter (AD5) indicated that: *"…customers do not help and there is always cost cutting; 5% are willing to pay more and 95% is just focusing on costs."* And adopter AD2 said of the customers imposing certification: *"They cover their sensible parts... It's part of the list of things we have to fulfill, but they are not motivated about it. You have to tick the box, most of the people are not able to analyze what is inside."* So, our findings point up a dichotomy between two types of customer requests: most requests for SA8000 certification appear to have a condition-imposing, superficial or symbolic character. We label these as symbolic requests. Just a minority of requests are accompanied by more in-depth understanding and support on the part of the customers concerned. We label these as substantive requests.

The customers who considered the implications of imposing SA8000 as a standard and facilitated its adoption were few and far between. Adopters reported that they had a maximum of one or two such customers. Here, adopters indicated that the latter had a real interest in sustainability, which took the form of site visits, addressing social conditions, knowledge-sharing and long-term relationships.

Consequences of symbolic customer requests: Three aspects of symbolic customer requests appear to hamper suppliers with regard to truly fulfilling the request for SA8000 certification. First of all, there is the pressure on purchase conditions such as prices and lead times, which, it appears, are still often given greater priority by customers than their requests for social compliance. Reports of *"always cost cutting"* and *"squeezing prices"* were made. One of the experts blamed the common purchasing model which is cost-focused, by pointing out the controversial effects of cost cutting, that is realized mainly by saving on labor. He indicated that, if the message is 'price reduction or losing orders', many companies cannot comply with SA8000's social requirements and have to take a very minimal approach, or even falsify or lie.

A second aspect of symbolic customer requests which hampers the adoption and implementation of the SA8000 standard has to do with the plethora of sustainability standards that are requested by different customers. There appears to be a lack of preparedness by many customers to accept an international social standard different from the (sometimes customized) one which they request as a threshold for their suppliers, even if suppliers' working conditions have already been certified in relation to an alternative standard. This widely acknowledged plethora of standards (Rasche, 2010a) forces companies to hire workforce just to handle all the different management standards and audits, which leads to additional costs. As one expert reported, some factories face 30 audits every year, which is a waste of money and resources. N-AD2 commented on the plethora of requests: *"... it becomes a buyer race you know..."*[18]

[18] The plethora of initiatives is a burden for companies. For completeness, it should, however, be mentioned that there are exceptions where, due to its international reputation, SA8000 is still accepted as a substitute for other standards.

The third issue regarding customer requests is the lack of support that comes with the certification request and the lack of understanding of the standard's scope on the part of the customer requesting the certification. Adopters indicated the need for more customer involvement, interest and understanding regarding the implementation of social standards; *"…they don't have the people, they don't have the infrastructure to look into this."* said one adopter (AD2), and another (AD3) commented: *"literally speaking there is no support from them."*

So, imposing requests, that often seem to be simply additions to the usual purchasing conditions of prices and lead times, affect the effectiveness of the standard. It hampers implementation and is likely to lead to weaker or symbolic (Christmann & Taylor, 2006) implementation of the standard. An SAI-expert characterized this as: *"factories feel victimized by the brand who wants everything according to their rule and they have to compete with others who do not play by the rule;... that endangers what we are trying to resolve…. it's the system that forces the factory into a position where they can't meet a number of these requirements. That's the nature of the problems that we have".*

Signaling to prospective customers: Another influence comes from *prospective* partners and customers in the market, and their preferences and expectations. As one of the adopting companies (AD3) points out, : *"any company which has the certification of SA8000 can attract more customers. To improve my business, I need customers, so the requirement is to go for SA8000."* 'The market' is considerably broader than the existing customer base, as it also includes prospective customers. The signaling effect to prospective customers, which is prominently mentioned in research on other management standards (e.g. Corbett & Kirsch, 2001; Terlaak & King, 2006) is frequently mentioned in our interviews, like one of the adopters indicated: *"any buyer or any business partner who wants to do business with us, will exactly know, okay fine, this is SA8000 certified, that means this factory is at this level... SA8000 is a benchmark".* However, attracting new customers appears to be a positive side-effect of the requests from the actual customer base to certify with SA8000 rather than a key driver for SA8000 adoption. Signaling does not affect the

adoption of SA8000 as directly as the influence of existing customers, which is its main driver.

Scarcity of intrinsic drivers: Although customer push is a key driver for SA8000, our interview data show that for a small minority of companies intrinsic company values, based on underlying social principles, also play a role in the adoption of SA8000.

One of the adopters included in our study is such an exceptional example, which bases its work on an articulated social value system. This company is recognized in our expert interviews as well, as contrasting with other businesses in this respect. They themselves reported: *"it wasn't a matter of getting started from a baseline" ... "Yeah, no one asked us. No one asked us, this was entirely us. And it was not done with a view to that it would help us later, but it had to be done because it's the right thing to do."* In this case, SA8000 appears to have simply confirmed what they were already focusing on. This company acknowledged that in their situation the adoption of SA8000 did not require real internal changes, whereas for many other (smaller) companies it might be very difficult to adopt SA8000.

All interviewees acknowledged, however, that in practice very few companies seek SA8000 certification out of an intrinsic drive to operate a sustainable business. This absence of intrinsic drivers in general was described by one SAI expert as follows: *"The social arena to me, again this is my opinion, is one of those things that many companies see as a cost of doing business…. Many of these companies, I don't think really see, a value added…. I don't think any CEO gets up on a Monday morning and decides that they want to invest… in a social initiative for the company. I don't think that's the driver per se."* And an adopter (AD2) said: *"I don't see people spontaneously going for SA8000."* The expert's quotation covers firstly the lack of intrinsic drive to address the 'social arena' (such as labor conditions) and secondly SA8000 as a governance mechanism for this 'arena'. This lack of intrinsic drive to pay attention to good labor conditions (the 'social arena' itself, irrespective of management standards) was also confirmed throughout the interviews. For instance, one adopter mentioned that certain levels of exploitation are accepted locally (in this case in India), which are unacceptable in other (Western) cultures. Moreover, the giving of bribes in order to obtain certification without (full) compliance was a well-

known phenomenon which was brought forward by some interviewees (despite its sensitivities). A 'culture of non-compliance' with national laws and a lack of government enforcement, especially in the area of labor conditions, were mentioned several times, all of which pointed to social conditions being a low priority.

The lack of intrinsic drive for the adoption of SA8000 was not only mentioned in relation to decision makers in adopting firms, but also, in various cases, in relation to a range of other stakeholders, including workers and local customers, who did not ask for SA8000. Workers were said not to be interested in social conditions other than the money they earn. As one factory owner (AD2) expressed it, many workers *"who are coming from far away… are there to make money. So, social security, pension and anything, they don't care a damn",* or, as one an expert put it: *"the primary thing is money; workers are not interested as long as they get paid."* Also, from a national perspective, national markets may not be interested in SA8000, and it might not even be welcome and could potentially find itself opposed by the introduction of national standards[19]. It is remarkable that, despite existing regulations on working conditions, governments do often not enforce the law. As one of the experts said of India: *"the government has a soft stance on labor issues",* which leads to a *"culture of non-compliance".* So, although the law itself may protect workers' rights, it is not necessarily enforced.

With regard to the intrinsic drive to adopt SA8000 or social practices, it is worth noting that a lack of "fit for business dynamics" was also frequently mentioned as a fundamental issue. The standard was considered to have shortcomings when it came to addressing the complexities of the real world, which are hard to tackle. This makes it harder to be intrinsically motivated to comply. The social arena is *"not black and white, but grey…. different from the quality world, and the health and safety world, which is at least much more of a binary process of yes/no, right/wrong",* one expert noted. Imposing a system on the complicated reality of social conditions causes friction, since rules cannot be generalized and the system has to deal with people who have different views of life due to cultural and educational differences. For instance,

[19] Like in India the AEPC (http://www.aepcindia.com/) or in China CSC9000T (http://search.standardsmap.org/assets/media/ChinaSocialComplianceforTextileApparelIndustryCSC9000T/English/AtAGlance_EN.pdf)

the standard's requirements may not match the workers' wishes; they may want to work 6 days a week rather than 5. An SAI expert noted: *"And the problems that we're trying to address, of course, are very difficult to address for any company. And in fact, the things that we're trying to affect, change, from remuneration to hours,... none of these things can be fixed. They can only be managed, they can only be protected in their compliance because the dynamics of the industry, any industry is such today that so many things will work in terms of change, that it constantly puts these systems under strain."*

Performance gains versus costs: None of the interviewees reported that there is a strong, positive business case for SA8000 in terms of measurable performance improvements, productivity increases or costs savings. AD2 reported a slight reduction of leave of absence and indicated that SA8000 was accepted by some buyers as the best-practice alternative to other standards, due to its positive reputation, which sometimes prevented customers from requesting alternative certifications. Yet, although one SAI expert expressed his belief in the long-term gains associated with SA8000, no major cost savings or efficiency gains could be reported. Besides, its social effects are not clearly visible, as one of the adopters (AD4) commented: *"an environmental practice, if you go against it or do not follow, it's visible, you can see it. You know, you can see smoke in the sky, you can smell gas in the atmosphere, you can see water which is dirtied. And that...nobody will accept. But in SA8000, when it is all about people, how you treat people, much of the exploitation is invisible."*

Instead of cost savings, respondents unanimously mentioned extra costs and efforts related to the implementation of SA8000. As adopter AD1 indicated: "*One is the certification costs, and other half, meeting the standards".* On the one hand, increased production costs due, amongst other things, to higher wages were cited, and on the other hand, auditing costs and the costs for the certification process itself were mentioned by interviewees. However, as noted earlier, such cost increases were generally not accompanied by compensatory increases in sales prices.

The first cost category, namely that of increased production costs (or efforts) is related to:

[A] the increased costs of hiring workers and higher wages, arising from the SA8000 demand for 'a living wage' which is considered complicated and hard to comply with;

[B] increased costs to run the business such as:

- Monitoring of social conduct throughout the inbound supply chain: *Cascading down social practices towards inbound suppliers is complex due to the fact that they are often small, poorly educated and unable to bear the costs of the SA8000 certification process.*
- Involvement of unions: *Unions can be a sensitive issue, considered to have a controversial history and considered to be an additional cost of doing business because of e.g. work stoppages.*
- Costs of worker education: *Because of high employee turnover, ongoing education is necessary, and this is hindered by low educational levels.*

As one expert mentioned in relation to the cost pressures, requirements are not always doable for factories; many workers are not well educated and the factories have the challenge of training them. Besides, it is impossible for labor intensive factories to stick to maximum overtime hours. He indicated that in China, where, for instance, every year, workers are supposed to receive an increase in salary of 13% and each worker is supposed to participate in five insurance schemes (child bearing, pension etc), the monthly costs per worker are substantial. Pressures of this kind would raise the risk of non-compliance. Companies do not feel there is a level playing field with competitors who do not follow the same systems. According to an adopter (AD3): *"The whole of industry is not following the same systems you know. The people who are working, without compliance are able to make cheaper products. If we want to follow the systems, then we'll have to spend more money to develop the infrastructures. And then all our product costs are comparably high."*

Or, as an expert mentioned,: *"It all comes down to competition, it comes down to the lowest cost, which eventually is going to translate itself into low wages."*

In addition to increased production costs, there is a second category of costs: the costs of certification. Adopters need to hire auditors and they need workforce to prepare, implement and maintain management systems like SA8000, which involve

the maintenance of records and documentation. Often, companies have a team of dedicated employees to handle certifications. These cost considerations contribute to what is a negative business case, seen from a performance perspective.

DISCUSSION

SA8000 growth curve: Both our interview data and our regression study point to limited expectations for further growth in SA8000 adoption rates and a relatively low point of saturation. The regression data should be interpreted with care, since no external change in the standard's conditions can be taken into account and innovations may follow distinctive patterns (Lawrence, Winn, & Jennings, 2001; Sood & Tellis, 2005). Local contexts can affect growth, and adopting countries are at different stages of growth (Appendix 4.4). Interviewees were found to have low expectations for the growth of adoption rates under current conditions as well. Further, the adoption curve follows a regular innovation curve pattern, similar to that reported for the adoption of other management standards (Marimon, et al., 2006; Zhu, et al., 2012). Based on both our regression and our interview data, the opportunities for wider acceptance and growth appear to be limited under current conditions.

The standard's narrow 'foundation': The low saturation point can be linked to the antecedents we found in our study, which rest on a narrow 'foundation', predominantly based on a single issue, namely customer requests. Using a combined institutional and performance lens, we can define a standard's foundation as the normative, regulative, cultural cognitive (institutional) and performance-related antecedents which affect the propensity of (potential) adopters to adopt the standard. The drive to certify comes mainly from *actual* customers, rather than from (though not excluding) the need to signal to *prospective* customers. Signaling to prospective customers appeared to be a positive side-effect of certification. Customer-driven certification is tightly related to performance considerations, since failing to obtain certification could directly affect orders and so, ultimately, the firm's economic bottom line.

The key position of customer drive in the SA8000 support base appears to come with a very weak position of intrinsic motivation. There are only a few companies which have adopted SA8000 on the basis of intrinsic drive, because it was 'the right thing to do' and was 'taken for granted'. A lack of internal drivers (Heras-Saizarbitoria, Landín, & Molina-Azorín, 2011) and morally based motives (Aguilera, et al., 2007) limits a standard's basis and its effects. Aravind and Christmann (2010) indicate that firms possessing intrinsic values as their basis for sustainable conduct[20] are scarce.

One of the experts stated that internal and external drivers: "should go hand in hand", to really make the standard work. Our study also revealed that not only with respect to SA8000 as a governance mechanism, but also with respect to the underlying social conduct, which is the standard's ultimate aim to address, intrinsic drivers are generally weak, and subject to cultural and national, dynamic influences (Matten & Moon, 2008; Walker, et al., 2012).

In terms of SA8000 costs and performance gains, no factors were encountered that would enhance the standard's adoption. Performance gains were marginal at best, while costs, both in terms of certification and of increased production costs, were reported to be substantial and beyond the reach of many potential adopters.

In conclusion, the narrow foundation for SA8000 that we encountered in our research appeared to be mainly fuelled by performance considerations, in the sense that failing to certify would directly affect orders and so, ultimately, the economic bottom line. Customer influence (including that of governmental customers) can be classified as coercive pressure 'to the extent that potential adopters depend on them for resources' (Guler, et al., 2002), reconfirming the decisive role of performance considerations.

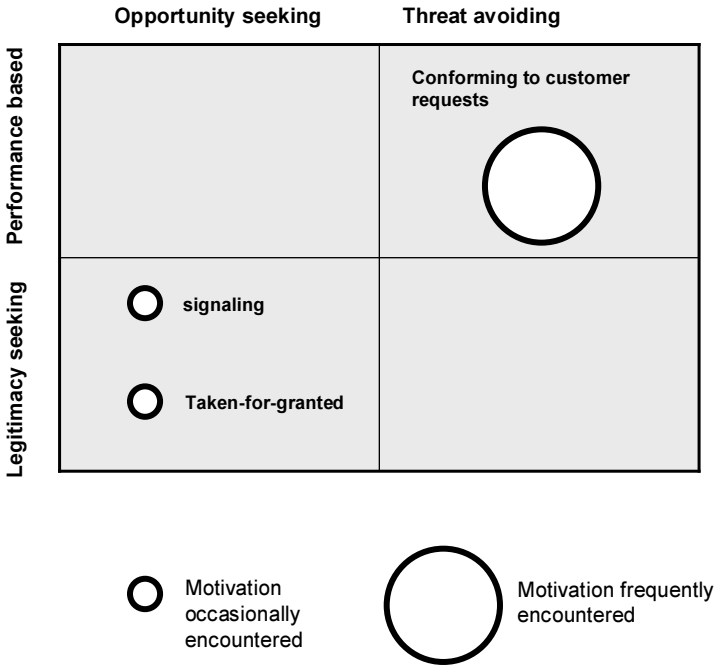
Building on the approach of Kennedy and Fiss (2009) who combined two lines of research to study adoption motivation, the narrow base that we found for SA8000, is plotted in Figure 4.4. This matrix combines (i) the framing of situations as opportunities and threats and (ii) efficiency and legitimacy dimensions. Heras-

[20] They refer to ecological responsibility in this case.

Saizarbitoria, et al. (2011) have also conducted a study on the influence of motivational factors with regard to the implementation of ISO 14000.

FIGURE 4.4

Small foundation for motivation to adopt SA8000



Source: based on Kennedy and Fiss (2009)

The research conducted by Kennedy and Fiss (2009) took place in a different context (total quality management in hospitals). We have applied their approach of depicting the foundations of antecedents to the adoption of the social management standard, SA8000. This helps to show its narrow, performance-based foundation and it makes a connection to motivations of achieving gains or avoiding losses, which in the case of SA8000 is predominantly the latter. The large circle in the upper right quadrant represents threat-avoidance combined with performance considerations (the threat to loose customer orders). The smaller circles in the lower left quadrant represent firstly, the signaling (to the market) function which appeared to be a much weaker motivator, and secondly, the minority of businesses which adopt SA8000 because of their

intrinsic drive and because they take such a step for granted. Signaling is an opportunity-driven way of gaining legitimacy through social certification.

SA8000's narrow foundation, mainly based on customer requests, seems to be more limited than those found for other management standards. The ISO 14000 standard, for example, appears to have a 'wider foundation' than SA8000, based on a broader range of external and internal motives for its adoption (Heras-Saizarbitoria, et al., 2011). Melnyk and Sroufe (2003) have found a wide range of qualitative drivers to implement ISO 14000, e.g. performance improvement, intrinsic values and customer requests. A distinct difference between the two standards is motivation linked to opportunities to improve performance, which we did not encounter for SA8000 (the upper left quadrant in Figure 4.4), but which has been found for ISO 14000. Although the implementation of ISO 14000 involves costs (Bansal & Bogner, 2002), a positive business case and performance improvements are found. Boiral (2007) indicates that rigorous implementation leads to administrative and technical improvements. De Jong, et al. (2014) confirm that ISO 14000 has a positive financial impact, which increases over time and Heras-Saizarbitoria, et al. (2011) have listed various studies demonstrating a range of performance improvements due to ISO 14000 implementation. These range from production efficiency and increased safety in the working environment to cost savings.

In short, the adoption of SA8000 appears to have a narrow basis in terms of its drivers, which are mainly leaning on customer influences. It appears to be predominantly 'performance' and 'threat' based, by aiming at prevention to loose business.

Supply chain effects of symbolic customer requests: The threat-based character of the major adoption motivation reinforces our findings that SA8000 implementations tend to be symbolic in some instances, given that an attitude of threat avoidance is found to reduce depth of implementation (Kennedy & Fiss, 2009). The direct examination of adoption motivation in our research has allowed us to understand some supply chain dynamics, which lie behind this limited depth of implementation.

The customer plays a central role in SA8000 adoption motivation. In a majority of cases, customer influence was indicated to have characteristics of pressure, since

SA8000 was requested as an 'add on' over and above price squeezes and lead time reductions. This leaves suppliers facing sometimes contradictory requests for e.g. both overtime restrictions (as prescribed by SA8000) combined with lead time reductions (which might require overtime hours). In addition, a lack of customer understanding about what SA8000 comprises was found, even though certification was requested by those customers themselves. Only a few customers seemed to truly value the standard's social focus.

We argue that not only a standard's implementation can be handled either in a substantive or in a symbolic way, as indicated in previous research (Aguilera, et al., 2007; Aravind & Christmann, 2010; Boiral, 2007; Christmann & Taylor, 2006), but also that customer requests can be classified as substantive or symbolic. Symbolic requests from brand-owning companies who are themselves responding to normative pressures (Waddock, 2008) increase the pressures on suppliers and the likelihood that implementation will be incomplete. Hence, symbolic customer requests have a 'chain effect', inducing symbolic implementation by suppliers, especially when other requirements, such as price and lead time pressures, form part of the equation. Generally, suppliers do not feel empowered by their customers to adopt new practices, but they often obtain SA8000 certification in order to prevent economic losses due to losing orders. Aiming to avoid losses, rather than to achieve social or economic gains, can lead to the less complete implementation of a standard (Kennedy & Fiss, 2009). In a similar vein, Heras-Saizarbitoria (2011) indicates that 'external motives' for standard adoption lead to fewer gains (compared to 'internal motives').

Symbolic requests are fed by instrumental motives to push for social conduct (Aguilera, et al., 2007), or, phrased differently, "narrow business interests" and a search for legitimacy (Banerjee, 2008). This adversely affects SA8000's efficacy.

Customer requests and growth limitations: Kennedy and Fiss (2009) explain the link between threat that drives SA8000 growth and decoupling. This approach provides insights into the different kind of drivers and their impact on the quality of implementation of realized certifications. However, the dynamics that explain the standard's growth and its growth potential remain undetermined. These dynamics are closely linked to the nature of the drivers. There is a dependency on customers'

agendas downstream in the supply chain. With regard to SA8000, we have been able to observe the major influences of three governments and of the textiles and apparel industry. Despite SA8000's intended international and cross-industry character, its uneven distribution across industries and nations represents a further limitation of the standard's adoption potential. Of the mainly performance-related antecedents for SA8000 adoption, the majority is linked to customer influences found in industries that are being scrutinized for social misconduct (Waddock, 2008), such as the textiles and apparel industry, or in sectors that are stimulated by governmental incentives, such as the construction industry.

An uneven spread can also be observed from a geographical perspective. The influence of government incentives can be found in Italy, Bulgaria and Romania. Italy is an exceptional case, showing significant numbers of adoption in contrast to other Western countries. High Italian adoption rates are also found for other management standards and are frequently explained in terms of government incentives (Albareda, et al., 2006; Marimon, et al., 2010; Tencati & Zsolnai, 2009). It is clear therefore, that governments too, in their role as customers, can have a stimulating influence on adoption. In the case of SA8000, just three (European) examples were encountered. Apart from these examples, firms in wealthy regions do rarely seek SA8000 certification, since the perception is that they do not really need it because their labor conditions are presumed to meet minimum levels already.

So, SA8000, which mainly relies on customer requests, receives limited support, since only a restricted group of customers stimulates its adoption, especially customers from the textiles and apparel industry and a few governments.

In conclusion, SA8000's narrow foundation involves three major limitations, which affects the standard's adoption numbers and its depth of implementation. First of all, its restriction to mainly customer-related antecedents, which are mostly based on performance considerations and the fear of losing business, limits its foundation. Secondly, if we look at the nature of the customer requests, quite a large number of them appear to be rather symbolic, with a 'chain effect', leading to the symbolic implementation of SA8000 by its eventual adopters. Thirdly, although SA8000 is a normative standard, open to all industries, customer drive (including governments

acting as customers) and the standard's dependency on corporate agendas mainly affect a limited number of industries and a limited geographic scope.

MANAGERIAL IMPLICATIONS

SA8000's impact appears to be dependent on buyers via their influence on adoption and implementation in the upstream supply chain. This key position held by customers in relation to adoption decisions, combined with the 'chain effect' of a symbolic approach, place a measure of responsibility on firms (in their role as customers), that is commensurate with their level of influence (Amaeshi, et al., 2008) and has managerial implications. If requests for SA8000 certifications are accompanied by investments in the form of active support and an interest in the standard's implementation, context and effects, customers can enhance the substantive implementation of this management standard by suppliers (Gilbert & Rasche, 2007; Perez-Aleman & Sandilands, 2008). Suppliers might, for instance, lack the internal capabilities to implement the standard well (Simpson, et al., 2012). Besides, SA8000 addresses complex, societal matters, which cannot be handled by a one-size-fits-all approach. Active support requires time-consuming reflections (Rasche, 2010b) and local discourses and agreements that are free from coercion (Gilbert & Rasche, 2007). The hyper-norms on which SA8000 is based need to be applied to local conditions (Aguilera, et al., 2007). In this context, Perez-Aleman and Sandilands (2008) note that active assistance, including financial and technical resources, is needed, especially for the implementation of management standards in developing countries, stressing the relevance of 'substantive customer requests',

On a macro-scale, governments are able to affect SA8000 adoption in different ways. Firstly, in their role as customers, governments have considerable impact. The standard's relatively high adoption rates in the construction industry in Italy, Romania and Bulgaria (and in the Italian cleaning industry as well), the three European countries which stimulate its adoption, show this governmental influence. If this would happen in a wider political context, such as the European Union, SA8000's adoption could be expected to grow massively in terms of numbers. Again,

also when governmental customers stimulate adoption, in a setting of supportive discourse, the effects can be long-lasting and substantive (Gilbert & Rasche, 2007; Rasche, 2010b), and can lead to standards like SA8000 being applied as tools for optimizing social conduct and not as objectives in themselves. Secondly, governments have the potential to exert influence in their role as regulators, by incentivizing the certification of facilities.

Aravind and Christmann (2010) stress that intrinsic values are the key to internalizing certifiable management practices. However, as long as these intrinsic values are scarce, enforcement measures (e.g. surprise visits by unknown auditors) and the role of influential customers (e.g. governments) will remain important.

CONCLUSIONS

This study addresses the following research questions: *'What are antecedents for organizations to adopt SA8000?'* and *'How do those antecedents affect the standard's adoption?'.*

We find that influences exerted by the supply chain are major antecedents for adoption: customer requests for certification are the main drivers for adoption, based on the fear of losing business. Our study reveals that SA8000's saturation level is expected to be low, and that this is related to the narrow 'foundation' regarding its adoption antecedents and its dependency for adoption on customer requests. Adoption is filtered through the agendas of customers upstream in the supply chain, which in the case of SA8000, appear to be concentrated in, but not limited to, a small number of high-risk industries and countries (related to governmental stimuli).

In addition, in relation to the standard's adoption, we also find that there is a supply chain effect whereby symbolic customer requests lead to symbolic implementations. These findings have clear managerial implications for governments and for those customers who apply SA8000 to their supply chains as a governance mechanism.

Our contribution is threefold**.** First of all, this study extends empirical research to the growth and adoption of certifiable management standards which lie outside the

more conventional focus of attention on leading standards with considerably higher global adoption rates. Building on previous studies on standard adoption (Heras-Saizarbitoria, et al., 2011; Kennedy & Fiss, 2009), we find that SA8000 has a narrow foundation, based mainly on *performance-seeking* rather than legitimacy-seeking motivations, and, in addition, based on *'threat-based'* (customer-related) antecedents. We find that adoption is further filtered and limited by customer agendas and that it is concentrated in a few industries and nations.

Secondly, the same previous studies (Heras-Saizarbitoria, et al., 2011; Kennedy & Fiss, 2009) relate depth of standard implementation to the nature of the adoption motivation involved: threat based motivations lead to symbolic implementations. 'Symbolic implementation' of standards, also known as 'decoupling' is well established in literature (e.g. Boiral, 2007; Jamali, 2010). However, our results point to a further effect, a 'chain effect' triggered by symbolic customer requests for SA8000 certification, which directly affect the standard's effectiveness and bring about decoupling in the upstream supply chain. In other words, symbolic customer requests increase the likelihood of symbolic implementation of SA8000 by its adopters. This chain effect has considerable managerial implications and poses a responsibility on customers when they ask their suppliers to be SA8000 certified, since due to the complexity of the social matters addressed by this social standard, their active support and their reflections on its implications and requirements is especially important (Gilbert & Rasche, 2007; Rasche, 2010b).

Thirdly, our study meets calls for research on the social aspects of SSM, which appear to be under-researched. SA8000 is an important governance mechanism in this area which, even though it is considered the most applied and well-known social standard globally (Behnam & MacLean, 2011; Miles & Munilla, 2004), is not adopted on a large scale. Considering that the majority of customer requests for SA8000 are symbolic, it generally appears not to be prioritized on the agenda of organizations which stipulate their suppliers to obtain SA8000 certification. This relatively low priority suggests that intrinsic values in the area of social conduct are limited, in line with the notion about scarce intrinsic values for *ecological* responsibility (Aravind & Christmann, 2010).

Our research has certain limitations. Our expectations regarding SA8000's saturation point and growth should be perceived as indicative and interpreted with care since the institutionalization of innovations can follow distinctive patterns and because contextual changes, such as measures introduced by governments or other major institutions, can affect its growth (Lawrence, et al., 2001; Sood & Tellis, 2005). Furthermore, our international analysis of the antecedents for SA8000 adoption with its emphasis on one representative country may have missed national or regional specifics, a limitation inherent in qualitative research, based on limited numbers. However, the use of multiple sources of information aims to reduce this bias and we used international sources of information to match and extend our national and local sources. This use of multiple sources also potentially limited any social desirability influences caused by the tendency of individuals to present themselves in a favorable light, thus affecting the validity of interview data (Crane, 1999; Podsakoff, et al., 2003). Finally, one should be aware that the integrated institutional and performance lenses are useful means for systematic analysis. However, theoretical lenses inevitably simplify reality (Orr & Scott, 2008) which is truly complex when the focus is on social conditions.

Future research could investigate in depth the decision-making process regarding working conditions, both of customers requesting a socially certified supplier base and of their suppliers in relation to their underlying motives, social and cultural values. For instance, contrasting longitudinal cases of symbolic customer requests for social policies or certificates like SA8000 with substantive customer requests, and suppliers' subsequent implementation processes in both cases, would be worthwhile directions for future research. Also, of interest is the way in which governance mechanisms like SA8000 appear on the agendas of customers upstream in the supply chain in relation to e.g. the influence and legitimacy of the issuing institute (the SAI or ISO institutes, for instance) and the perceived need for a certifiable management standard as a governance mechanism.

Next, future research could focus in-depth on the national and local conditions that influence the adoption of social standards like SA8000. Adoption curves, such as those shown in Appendix 4.4, reveal that countries can follow distinctive paths.

Returning once again to the comparative importance of polar bears and human beings (Pfeffer, 2010), although not directly derivable from a curve, our research suggests narrow performance-oriented foundations, both for SA8000 and for its underlying social causes, which concern human beings. Fulfilling the standard's principal goals to improve working conditions world- and industry-wide, is a highly complex challenge and one that is 'filtered through' and restrained, especially by the performance-based considerations of its potential adopters

APPENDIX 4.1

Excerpt of four interview guides for semi-structured interviews per group of informants;

Categories of questions for the semi-structured interviews are listed, although the interview is not limited to those questions, implying room for different or additional topics.

	I: adoptersSA8000	**II: non-adopters SA8000 (certified for other mgmt standards = MS)**	**III: auditors/experts SA8000 and/or other mgmt standards = MS**	**IV: experts SAI / other social initiatives**
Main focus	****Company, internal organization; *SA8000***	****Company, internal organization; *MS & SA8000***	****(Potential) adopters external organizations; *SA8000 & MS***	****(Potential) adopters external organizations; *SA8000 & social MS***
Introduction / Background	Company details; *e.g. activities, governance, export destinations, production facilities etc.* Interviewee role, *position, SA8000/MS involvement* SA8000/MS certification; *Status quo, history*		Company details; *e.g. activities, governance,* Interviewee role, *position, SA8000/MS involvement*	
Antecedents; Drivers/barriers	Factors affecting SA8000/MS adoption; *e.g. internal drive, intrinsic drive; external drive e.g. regulations, (industry or customer) pressures, norms / costs, efforts*		Factors affecting SA8000/MS adoption; *e.g. internal drive, intrinsic drive; external drive e.g. regulations, (industry or customer) pressures, norms / costs, efforts*	
Effects	Changes due to SA8000/MS, *benefits/ drawbacks; meeting expectations*		Changes due to SA8000/MS, *benefits/ drawbacks; meeting expectations*	
Other / opinion	Opinion on social (versus environmental) practices; *e.g. Expectations for (adoption of) SA8000 and social management standards; idiosyncrasies for SA8000; role of factory accidents*		Opinion on social (versus environmental) practices; *e.g. Expectations for (adoption of) SA8000 and social management standards; idiosyncrasies for SA8000; role of factory accidents*	

APPENDIX 4.2

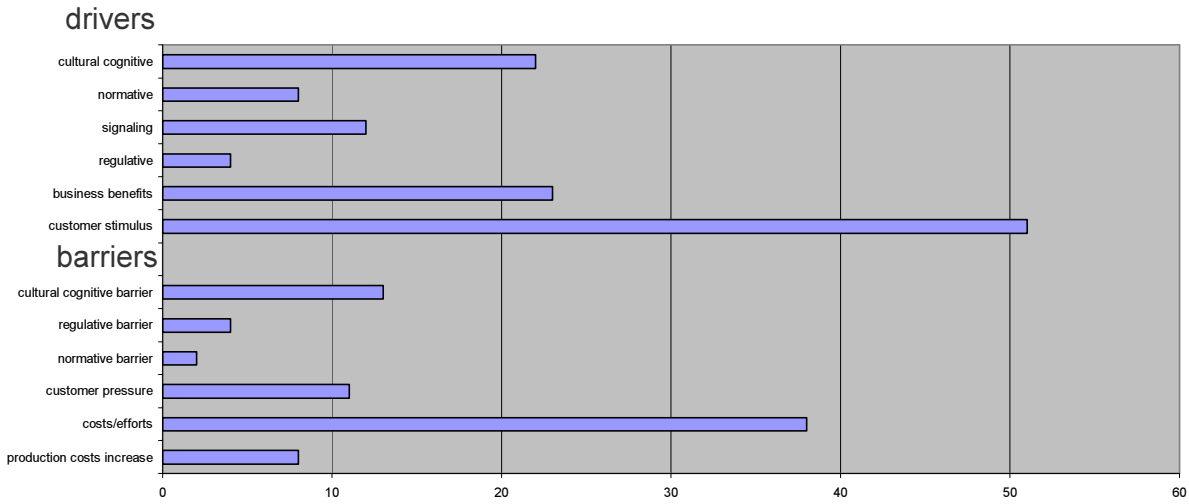
CODING STRUCTURE

Initial code	link to institut. theory	link to perform. persp.	contextual information	CODES	(SUB)CODES	REMARKS
SA8000						
x x x x	x x x x	 x x x		Driver to SA8000	• cultural cognitive • regulative • normative ○ signaling • business benefits • customer stimulus	Institutional drivers (outlined in Research methods (Scott, 2008)). Signaling is mentioned as separate code: known in literature as driver for adoption and indicates how companies might use standards to overcome information asymmetry and show how 'responsible' they are (conform external norms) (e.g. Corbett & Kirsch, 2001). Business benefits indicate adoption drivers that are linked to performance gains (e.g. product quality improvements, production efficiency). Customer stimulus points at direct customer requests for certification.
x x x x	x x x	 x x x		Barrier to SA8000	• cultural cognitive • regulative • normative • customer pressure (other priorities) • costs/efforts/investments • production costs increase	Institutional barriers (outlined in Research methods (Scott, 2008)). Customer pressure on factors other than social conditions (like price and lead time pressures), may limit possibilities to implement SA8000 Costs can be split in (i) operating costs, like e.g. higher wages and (one-off or periodical) investments for implementation and (ii) costs for audits and certification process.
			x	SA8000 Effects		SA8000 as a governance mechanism to improve working conditions may have different effects: improving working conditions or not, raise awareness in general in society
x			x	SA8000 life cycle	• SA8000 development history • SA8000 expectations for future	Life cycle: stage of adoption (introduction, growth, maturity which is close to saturation (Sood & Tellis, 2005)) this includes developments in the past and expectations about the adoption potential • SA8000 is applied from 1998 onwards. It has developed in the meantime, also as a tool (new version). • Indications about its future potential (also in growth of numbers).
x	x			reputation		Although SA8000 is considered the most applied social standard, it might be well-known or not, have a good or doubtful reputation, affecting its legitimacy and also its development (adoption rates e.g.) etc.
		x	x	complexity		Characteristic that was frequently noted (in relation with other codes) and hence added as separate characteristic.
			x x x	social conduct	• facilitators to social conduct • barriers to social conduct • balance People vs Planet	SA8000 aims to improve social conduct and especially working conditions. Adoption of the standard is not an aim in itself. 'Social conduct' was added as code since issues were raised that stimulate or hinder social conditions in general (apart from the standard). Distinctions between environmental or social factors were coded as contextual information.

MSt: Other management standards						
x x x x	x x x x	 x x x		Driver to MSt	• cultural cognitive • regulative • normative ○ signaling • business benefits • customer stimulus	Codings on other management standards (e.g. ISO 9000, ISO 14000, sector specific standards, Ohsas). Background of codes parallel to SA8000 codes, see above. REMARK: Coded fragments of other management standards were not applied for analysis of SA8000 directly, but reinforced findings from literature pointing at heterogeneous antecedents and a broader basis for other standards. E.g. here respondents indicated in some instances net savings realized due to the standard and environmental regulations which could be met by implementation of an environmental management standard like ISO14000. (Interviews with non-adopters contributed to this section more than to SA8000 section. Interviews with adopters contributed to both sections because of multiple standards that were adopted)
x x x x	x x x	 x		Barrier to MSt	• cultural cognitive • regulative • normative • costs/efforts/investments	
			x	MSt Effects		
x			x	MSt life cycle	• SA8000 development history • SA8000 expectations for future	
x	x			reputation		
		x	x	complexity		

APPENDIX 4.3

CODING FREQUENCIES



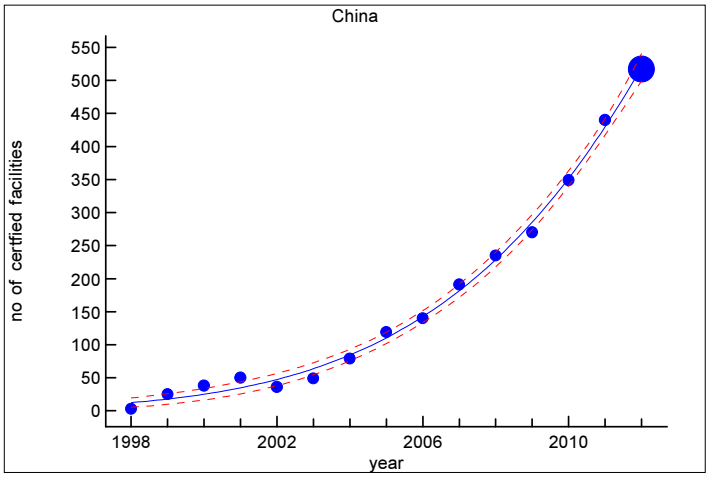
The frequencies indicate how often subjects have been 'touched' in interviews. The length of the coded fragments is not included, nor the contents of the message itself. Therefore this is indicative. For instance: * The message that only a very small amount of businesses work from an underlying value system is coded as cultural cognitive driver, but the message is that it is limited. **The message that there are no substantive business benefits coming with SA8000, will be coded as business benefits, but the message is that it is not substantive.

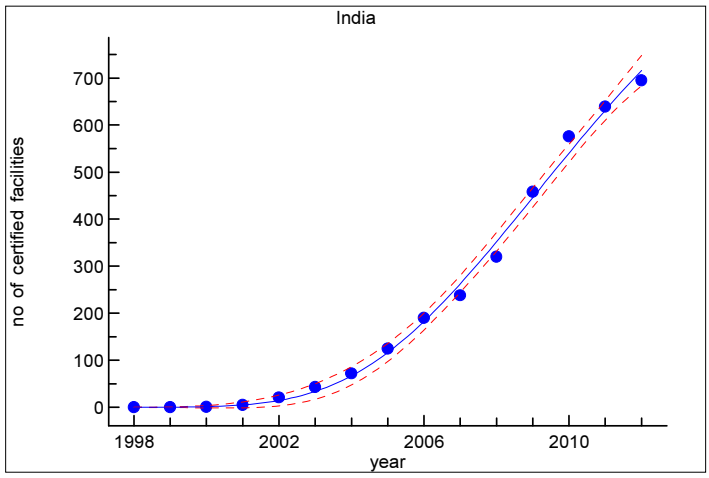
APPENDIX 4.4

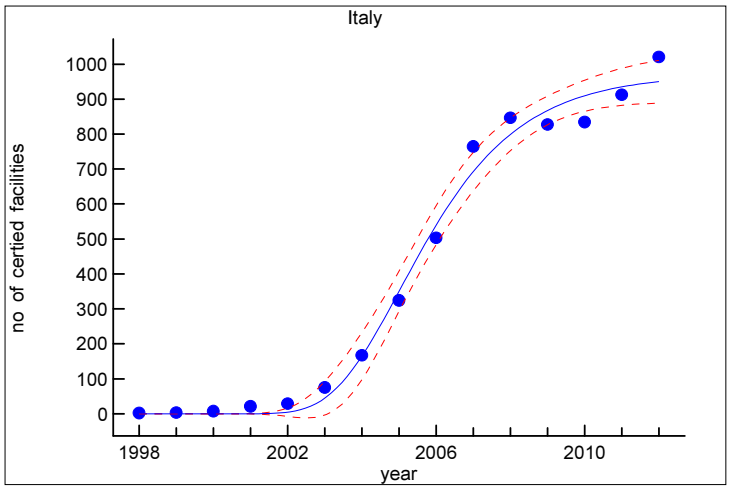
GROWTH CURVES IN MAJOR ADOPTING COUNTRIES:

The high adjusted r-square for Italy, India and China confirms a good fit to the sigmoidal Gompertz curve. The three countries however seem to follow different time frames.

Adoption rates and expectations SA8000 1998-2012 in China, India, Italy and regression data







	R^2	adjusted R^2	A	Lower limit of A	upper limit of A
China	0.996	0.995	n/a	n/a	n/a
India	0.996	0.995	1220	857	1583
Italy	0.990	0.988	970	889	1051

- Italy shows a clear S-shaped curve and seems to move around its saturation point. Its dip in 2010 might be due to a lack of recertification by certified companies[21].
- China's adoption data are inconclusive about what could tentatively be expected for future adoption (A), since its inflection point is still unclear (the range between lower and upper limits is extensive and in addition, lower limits of A are negative). China is a bigger exporter than India in e.g. the for SA8000 important textiles and apparel industry, however we came across a variety of reasons why (related to total export) local context slows down adoption e.g. (i) the authorities developed own alternative for the textiles industry (CSC9000T) (Garriga, Pudong, & Ramasamy, 2008) (ii) there has been resistance to SA8000 in China (Zu, 2009) (as also cited by Chinese expert)
- India, seems to be most in line with the global adoption pattern. Its adoption rates in Q1 2013 are near 60% of its expected saturation (A).

These major adopting countries show that among countries, not only the expected level of saturation varies (both absolute values, and also values related to GDP), but also the time when saturation is reached. Where, based on the growth curve, Italy seems saturated, China seems to still have considerable growth potential.

[21] The reason behind this potential lack of recertification is not encountered.

CHAPTER 5: GENERAL CONCLUSIONS

This dissertation explores in various settings the following research question: *How does self-regulation advance the incorporation of sustainability elements in an organization's supply management processes?*

Each project addresses the main research question in a specific context, alongside its project-related research questions. Individual project contributions and answers to research questions for each project are outlined in the conclusions sections of the previous chapters.

This concluding chapter outlines the overarching conclusions and contributions of this dissertation, its managerial implications and its limitations and suggestions for future research.

CONCLUSIONS

Responsibility-power balance: There is a balance between responsibility for what happens in the supply chains of a focal organization and the organization's power to address this (Amaeshi, et al., 2008). If an extensive approach towards self-regulation, where organizations take responsibility for SSM, is combined with the ability (power) and capabilities to change, the resulting supply management practices are most sustainable. Chapters 2, 3 and 4 of this dissertation outline and challenge this balance between supply chain responsibility and power in the supply chain in different contexts. The most extensive self-regulatory approach[1] emerges when organizations in their corporate social responsibility actions 'set out to reorient the ways they create value' because of environmental or social demands (D'Amato & Roome, 2009). This refers to a proactive stance (Henriques & Sadorsky, 1999; Van Tulder, et al., 2009) and a process of change, both aimed at meeting sustainability demands. Table 5.1

[1] D'Amato and Roome (2009) label this approach as strategic Corporate Responsibility.

indicates how this balance between self-regulation, power and responsibility is represented in the individual chapters.

Table 5.1

Indicative relationship between self-regulation, power and the incorporation of sustainability in supply management for each project[2]

	Chapter 2	**Chapter 3**	**Chapter 4**
	Two exemplar MNEs	**Three NGOs: ten offices**	**SA8000-adopting companies**
SSM self-regulation: proactiveness (Henriques & Sadorsky, 1999; Van Tulder, et al., 2009)	Proactive and extensive self-regulation, combining power with extensive self-regulation and communication.	Varying degrees of proactive self-regulation, albeit SSM is typically confined to demand management and small-scale collaboration with local suppliers	Standard adoption, reactive stance, mainly following customer requests.
Relational power / responsibility (Amaeshi, et al., 2008)	The case organizations have considerable purchasing spend, implying relatively high buying power	Small offices with limited relational power, but rather with a role model responsibility	Customers most powerful party, implying that they are responsible for support following on from their 'requests' to adopt SA8000
Facilitating incorporation of sustainability in supply management processes	SSM innovation leads to development of capabilities that are required for more sustainable processes and products. Dedicated infrastructure with publicly set targets steers sustainability results.	SSM affects internal conduct, albeit with marginal direct sustainability impact. Role model function affects organizations' legitimacy, which is relevant for their (SSM) advocacy activities (which have impact by steering others' sustainable conduct.)	Chain effect of symbolic requests decreases depth of implementation. Higher potential if customers are intrinsically motivated to provide support.

[2] This relationship represents the mechanisms underlying SSM as encountered in different studies in a general sense. It is overarching and does not represent all individual organizations.

The processes of change and extensive self-regulation are clearly present in our study on exemplar MNEs (Chapter 2). These case companies have indeed progressively self-regulated by their 'setting out to reorient their SSM', starting on a small scale with CoPs. Management has intervened by target setting, in publicly announcing these targets and by creating the infrastructure for a company-wide approach in an iNoP. The exemplar MNEs we studied, possess the capabilities to change intentionally (Ambrosini & Bowman, 2009; Teece, et al., 1997) and are also powerful players in their supply chains (Amaeshi, et al., 2008).

Our study on NGOs (Chapter 3), however, shows a different situation. NGOs' internal conduct only has a marginal direct influence on sustainability, because they are only small players and small consumers of supplies. In line with this position of being small customers[3], they possess marginal power. Here we must acknowledge the limitations to accountability and responsibility for those relatively small organizations (Amaeshi, et al., 2008; Messner, 2009). Despite these limitations, we find clear evidence of internal drivers to 'set out to reorient their (small-scale) internal conduct and supply management', especially because of the NGOs' internal and external 'role model function'. However, due to limited resources, this 'role model function' had to be balanced with their 'advocacy role', giving rise to an intention-behavior gap with regard to sustainable conduct. It is especially their 'role model function' that makes NGOs' responsibility different from that of other (small) organizations: their trade-offs are specific for organizations which have a sustainability oriented mission and need to be the subject of organizational reflection. Explicit reflection on this role was, however, lacking. So, in institutionally complex situations, as observed in our NGO study, responsibility may arise through, for instance, a role model function, rather than as a consequence of power.

Finally, our study on SA8000 adoption (Chapter 4) depicts a situation where the supply chain effects of 'symbolic customer requests' arise in customer-supplier relations. The SA8000 adoption decision often appears to reside with customers, the ones who decide about orders and so hold power. We encountered a supply chain effect arising from what we have labeled as 'symbolic' requests: if customers ask

[3] Especially in terms of 'turn-over', leaving apart their potential reputational customer value.

suppliers to obtain SA8000 certification, without an in-depth understanding of this social management standard, and its consequences for suppliers and without support, the chances of symbolic implementation by suppliers are higher, especially when requests are accompanied by strong price and leadtime pressures. This places an important responsibility on customers to support and monitor the suppliers implementing the management standards at their (i.e. the customers') request. In this instance, we encounter a situation where extensive self-regulation also involves direct support for suppliers' operations (D'Amato & Roome, 2009). When certification requests are embedded in a responsible approach, labeled in our study as substantive requests, the implementation of the standard in the upstream supply chain will benefit and be more effective.

Motivations as a crucial enabler: Closely related to the way SSM practices are set up and implemented, is the role of motivation. The factors that move individuals and organizations to engage in SSM activities are connected to its approach (reactive or proactive), its depth of implementation and its effectiveness (Kennedy & Fiss, 2009). Internal and opportunity-based drivers, rather than external and threat-based drivers, stimulate deeper implementation of, for instance, standards, and therefore increase its effectiveness (Heras-Saizarbitoria, et al., 2011; Kennedy & Fiss, 2009).

In the case of SSM, too, the motivation of a company is key to developing more sustainable supply chains (Sarkis, et al., 2011). Previous research has found that organizations seem to be more influenced by external than internal drivers (Hoejmose & Adrien-Kirby, 2012; Walker, et al., 2008) [4]. Building on the approach of Kennedy and Fiss (2009), as we did in our study on the adoption of the SA8000 standard, we can contrast 'positive', opportunity-seeking motivations for SSM with 'negative' motivations of threat avoidance. In this respect, it is especially interesting to contrast the findings from Chapters 2 and 4. The MNEs in Chapter 2 seek to proactively change SSM and communicate this through publicly communicated targets. In

[4] In their literature review, Walker, et al. (2008) distinguish between external drivers (e.g. regulations, customers, competition, society, suppliers) and internal drivers (e.g. personal commitment of leaders and entrepreneurs, cost reduction and quality improvement).

Chapter 4, however, we encounter a reactive stance and a supply chain effect involving symbolism on the part of SA8000 adopters *and* their customers.

Kleindorfer, et al. (2005) state that organizations have moved beyond the question of 'whether' to operate in a sustainable way and should be addressing the question of 'how' to do this effectively. Our research findings point to the relevance of another important question, namely 'why' organizations engage in SSM, because of the considerable influence of motivations on 'how' it is approached.

CONTRIBUTIONS

Firstly, this research contributes to the SSM knowledge base in various ways. Mechanisms underlying SSM, including the antecedents for organizations to engage in SSM (Walker, et al., 2012) and its outcomes, have remained relatively concealed (cf. Aguinis & Glavas, 2012; Hoejmose & Adrien-Kirby, 2012). There is a lack of insight into the processes and underlying mechanisms whereby organizational actions and policies in the area of corporate social responsibility lead to certain outcomes (Aguinis & Glavas, 2012). This dissertation outlines such mechanisms operating between SSM self-regulation and the incorporation of sustainability in supply management processes. We study the antecedents of SSM processes and how they affect sustainability elements in supply management processes in three different settings. Factors are addressed which affect the results of self-regulation from a sustainability perspective, meeting calls for insights into how actions lead to societal results, rather than viewing the situation from the prevalent (financial) performance perspective (Golicic & Smith, 2013; Halme, et al., 2009).

In addition, this dissertation studies these mechanisms in different settings. By studying SSM in different and novel settings, such as NGOs as responsible actors themselves or organizations based in non-Western countries (Halme, et al., 2009; Walker, et al., 2012), a richer view of SSM self-regulation and its motives has been provided (Pagell & Shevchenko, 2014).

Secondly, SSM, which operates at the intersection of SCM and sustainability, is a growing and applied area of research which does not exist in isolation. SSM may, for

instance, be considered on a more abstract level as a representative 'complex organizational border crossing process'. Its complexities specifically derive from the combination of SSM's border-exceeding character and from its social and societal relevance, which is subject to relatively high normative influences. Our SSM studies potentially contribute to other fields of research, such as literature on management standards, which has so far focused relatively little on social standards (Chapter 4); research on management innovation, which has called for extended insights into sequencing of innovations through more case research (Birkinshaw, et al., 2008), and into organizational capabilities (Chapter 2); or research on NGOs and institutional complexity (Chapter 3).

Finally, it is important to note that the different project contributions represent key contributions to this dissertation in themselves. These contributions have already been outlined in more detail in the conclusions section of each chapter.

MANAGERIAL IMPLICATIONS

In terms of managerial implications, organizational reflection on (i) motives, (ii) on responsibility and (iii) (relational) power is vital to the setting up and steering of SSM self-regulation and to the making of informed decisions (see also Table 5.1). Such reflections enable organizations to purposefully self-regulate and assign resources to 'set out to reorient the ways they create value' in response to environmental or social demands (D'Amato & Roome, 2009).

Self-reflection enhances an articulated approach towards the SSM innovation process itself, and based on the different research projects, relevant points requiring managerial attention are:

- Consideration of the required organizational (SCM) skills and knowledge that might be lacking, like, for instance, the internal and external 'collaboration skills' raised by the MNEs in Chapter 2;
- Consideration of the different organizational roles that might make different demands, like the advocacy and 'role model function' in Chapter 3;

- Organizations in their role as customers, should explicitly acknowledge their responsibilities towards less powerful suppliers upstream (Amaeshi, et al., 2008) and invest actively in providing support for those suppliers. As observed in Chapter 4, such investments can enhance substantive implementation by (less powerful) suppliers (Gilbert & Rasche, 2007; Perez-Aleman & Sandilands, 2008);
- This last point also applies on a macro-scale: governments in their role as customers are able to affect supply chains and have a considerable impact on them (as found in Chapter 4). This impact may be long lasting, if it takes place within a setting of supportive discourse (Gilbert & Rasche, 2007; Rasche, 2010b). This requires an understanding by governments of what policies and governance standards stand for, how they align with governmental principles and how they can most effectively be supported;
- An explicit, dedicated infrastructure for the roll-out of SSM (as found in Chapter 2) appeared to be a precondition for the management innovation processes of two MNEs, enabling the upscaling of SSM to a company-wide approach (Chapter 2). The importance of an infrastructure again arises explicitly in relation the supply chain effect that we find resulting from symbolic customer requests (Chapter 4). Symbolic customer requests for SA8000 certification by suppliers, and more specifically, the customers' lack of an infrastructure with which to monitor and support their own requests, were found to negatively affect the implementation and efficacy of SA8000. Without (infrastructural) investments towards the implementation of SSM, its implementation appears likely to be symbolic, and this will also be the case in the upstream supply chain.

LIMITATIONS AND FUTURE RESEARCH

In this dissertation mainly qualitative research methods have been applied. This qualitative approach has allowed valuable insights into real life settings, sometimes addressing delicate matters, and has provided rich data, but it has also had some limitations. Firstly, due to low numbers, qualitative research has limited generalizability. In the study on management innovation (Chapter 2), for instance, we

conduct two case studies, which fit our aim of investigating front runners who are setting up new practices. This research could be extended to the investigation of management innovation processes in more organizations, and to testing propositions. It would also be possible to extend the research longitudinally by studying the company-wide approach after the early stages, which were studied at the time of our study. This would allow for a broader range of interviewees and extended insights, because SSM would have been introduced on a wider scale. The NGOs' sustainable conduct, addressed in Chapter 3, focused on what was driving or slowing down the NGOs' sustainable operations. An extension of this study to more advocacy organizations and a further analysis of the operations themselves would broaden insights here as well.

Secondly, social desirability influences, caused by the tendency of individuals to present themselves in a favorable light, may have affected the validity of interview data (Crane, 1999; Podsakoff, et al., 2003). This is addressed by, amongst other things, triangulating the different sources of information in the studies. In the study on SSM innovation processes (Chapter 2), we benefited from a variety of archival sources (see Table 2.1) in addition to the interviews, whereas in the NGO study (Chapter 3) an analysis of newspaper articles (see Figure 3.2) was used as a complementary source. When studying the antecedents for SA8000 adoption (Chapter 4) we asked both (i) adopters about their own adoption motivation and (ii) experts about the adopters' motivations they encountered in practice. Contacting interviewees and building a trusting, open atmosphere with them was complex in some instances, as SA8000 represents a sensitive area. Triangulation and the involvement of different groups of stakeholders helped in better understanding sensitivities and strengthening data validity.

Thirdly, we are studying mechanisms that enhance and favor SSM results in terms of sustainability. We do not measure its actual outcomes.

Finally, it is of interest to note that throughout all these studies, the focus of the organizations appeared to be mostly on relatively incremental SSM measures to reduce environmental and social impacts, also referred to as 'weak sustainability' (Roome, 2011, 2012) or closely related to it, 'narrow sustainability' (Sarkis, et al.,

2010)[5]. Future research could investigate SSM in the broader context of paradigm-shifting 'broad sustainability', including socio-economic shifts (Sarkis, et al., 2010) or, in a similar vein, 'strong sustainability', which follows a more holistic approach, aiming to meet targets at, for instance, national or international levels (Roome, 2011, 2012). In this broader context, the triple-bottom-line effects of SSM self-regulation efforts are likely to be further reaching and worth investigating.

Another interesting area for future research would be a further investigation of internal motivations for SSM. Despite the importance of internal motivations based on intrinsic values around sustainable conduct, it is acknowledged that these are scarce (Aravind & Christmann, 2010) and that organizations often follow narrow business interests (Banerjee, 2008). It would be worthwhile making a closer connection with psychology-based research and literature on ethical values in order to investigate the existing bias towards financial performance.

In conclusion, SSM is neither an isolated area nor an end in itself. What matters in the long term are the associated sustainability effects. This dissertation aims to inform and to stimulate future research and practices relating to sustainability throughout supply chains, an area of lasting relevance to society.

[5] Behavior that (just) intends to reduce environmental and social impacts, also referred to as 'weak sustainability' (Roome, 2011, 2012). Similarly, 'narrow sustainability' focuses on improving the environmental efficiency of production through ongoing innovation and environmental management (Sarkis, Cordeiro and Vazquez Brust, 2010).

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